Measured in terms of livability, Tennessee is a wealthy state... blessed by nature, a place and people with proud history, an abundance of energy and talent, and a strong sense of direction.

In preparing for the 21st Century, Tennesseans have clear goals: to have strong, safe, clean communities where children can grow up healthy, go to good schools and get good-paying jobs.

There are 3,000 places Tennesseans call home... country crossroads, small towns, growing cities and bustling urban centers... all sharing the pioneer spirit and volunteer tradition of the Andy Jacksons, Sam Houstons, Davy Crocketts, Alvin Yorks and Cordell Hulls of the past.

Tennessee's boundaries, from the mountains in the east, through gently rolling hills, to the Mississippi flatlands, enclose distinct geographic divisions encompassing a vibrant blend of cultures, crafts and natural resources.

From this diversity of land and people has grown a broad-based economy, born of strong leadership, nurtured in a solid agricultural base and flourishing in a large-scale commitment to increasing the high technology development of the Information Age in an aggressive and financially sound business climate.

The beauty of a Memphis skyline at dawn.
Photographed by Jim Hagans
State of Tennessee Photographic Services.

57505-1-U

Tennessee Comprehensive Annual Financial Report
For The Year Ended June 30, 1984

LAMAR ALEXANDER, Governor

DEPARTMENT OF AUDIT
WILLIAM R. SNODGRASS, Comptroller of the Treasury
Division of State Audit
FRANK L. GREATHOUSE,
Director

DEPARTMENT OF FINANCE AND ADMINISTRATION
HUBERT L. McCULLOUGH, Commissioner
Division of Accounts
ROBERT L. BUCKHAM, Assistant Commissioner
for Accounting

Tennessee Department of Finance and Administration
Authorization No. 317006 (December 1984), 1,050 copies. This public document was promulgated at a cost of $6.50 per copy.

STATE OF TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1984

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Letters of Transmittal	I
Certificate of Conformance	V
Graphic Presentations of Revenues and Expenditures - All Governmental Fund Types	VI
Organization Chart	VIII
FINANCIAL SECTION	
Auditor's Report	
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined Statements - Overview	
Combined Balance Sheet - All Fund Types and Account Groups	1
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	3
Combined Statement of Revenues, Expenses and Changes in Fund Equity - All Proprietary Fund Types and Similar Trust Funds	4
Combined Statement of Changes in Financial Position - All Proprietary Fund Types and Similar Trust Funds	5
Combined Statement of Revenues, Expenditures and Changes in Fund Equity - All College and University Fund Types	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) -General Fund and All Special Revenue Fund Types	7
Notes to the Financial Statements	9
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS:	
General Fund	18
Balance Sheet	19
Statement of Revenues, Expenditures and Changes in Fund Balance	20
Statement of Revenues by Source	21
Statement of Expenditures by Function and Department	22
Statement of Expenditures by Object	23
Special Revenue Funds	24
Combining Balance Sheet - All Special Revenue Funds	25
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds	26
Combining Balance Sheet - Other Special Revenue Funds	27
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Other Special Revenue Funds	28
Balance Sheet - Highway Fund	29
Statement of Revenues, Expenditures and Changes in Fund Balance - Highway Fund	30
Statement of Revenues by Source - Highway Fund	31
Statement of Expenditures by Object - Highway Fund	31

	Page
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Special Revenue Funds	32
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - Other Special Revenue Funds	33
Debt Service Fund	35
Balance Sheet	36
Statement of Revenues, Expenditures and Changes in Fund Balance	36
Capital Projects Fund	37
Balance Sheet	38
Statement of Revenues, Expenditures and Changes in Fund Balance	38
Enterprise Funds	39
Combining Balance Sheet - All Enterprise Funds	40
Combining Statement of Revenues, Expenses and Changes in Fund Equity - All Enterprise Funds	41
Combining Statement of Changes in Financial Position - All Enterprise Funds	42
Combining Balance Sheet - Other Enterprise Funds	43
Combining Statement of Revenues, Expenses and Changes in Fund Equity - Other Enterprise Funds	44
Combining Statement of Changes in Financial Position - Other Enterprise Funds	45
Internal Service Funds	46
Combining Balance Sheet - All Internal Service Funds	47
Combining Statement of Revenues, Expenses and Changes in Fund Equity - All Internal Service Funds	49
Combining Statement of Changes in Financial Position - All Internal Service Funds	51
Combining Balance Sheet - Other Internal Service Funds	53
Combining Statement of Revenues, Expenses and Changes in Fund Equity - Other Internal Service Funds	54
Combining Statement of Changes in Financial Position - Other Internal Service Funds	55
Trust and Agency Funds	56
Combining Balance Sheet - All Trust and Agency Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Expendable Trust Funds	59
Combining Statement of Revenues, Expenses and Changes in Fund Balance - Nonexpendable and Pension Trust Funds	60
Combining Statement of Changes in Financial Position - Nonexpendable and Pension Trust Funds	60
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	61
General Fixed Assets Account Group	62
Statement of General Fixed Assets by Function and Activity	63
Statement of Changes in General Fixed Assets by Function and Activity	64
General Long-Term Obligations Account Group	65
Statement of Changes in General Long-Term Obligations	66
College and University Funds	67
Combining Balance Sheet - All College and University Funds	68
Combining Balance Sheet - All College and University Current Funds	69

		Page
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All College and University Current Funds		70
Combining Balance Sheet - All College and University Fiduciary Funds		71
Combining Statement of Changes in Fund Balances - All College and University Fiduciary Funds		71
Combining Balance Sheet - All College and University Plant Funds		72
Combining Statement of Changes in Fund Equity - All College and University Plant Funds		72
STATISTICAL AND ECONOMIC DATA	**Table**	
Revenues by Source - All Governmental Fund Types	I	74
Expenditures by Function - All Governmental Fund Types	II	74
Tax Revenues by Source - All Governmental Fund Types	III	75
Description of Tax Sources - All Governmental Fund Types		76
Ratio of Net General Long-Term Debt to Assessed Value and Net Debt Per Capita	IV	77
Computation of Legal Debt Service Margin	V	77
Ratio of Annual Debt Service for General Long-Term Debt to Total Expenditures - All Governmental Fund Types	VI	78
Schedule of Revenue Bond Coverage - Tennessee Housing Development Agency and College and University Funds	VII	78
Debt Service Requirements to Maturity - General Obligation Bonds	VIII	79
Debt Service Requirements to Maturity - Revenue Bonds	IX	80
Summary of Debt Service Requirements to Maturity	X	81
Statement of Outstanding Debt - All Fund Types and Account Groups	XI	82
Economic Characteristics		83

Introductory Section

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL, NASHVILLE, TENNESSEE 37219

HUBERT L. McCULLOUGH
COMMISSIONER

December 26, 1984

The Honorable Lamar Alexander
Governor of the State of Tennessee

In accordance with Section 4-4-114, Tennessee Code Annotated, it is my pleasure to transmit to you the Comprehensive Annual Financial Report of the State of Tennessee for the year ended June 30, 1984. This report has been prepared by the State's Department of Finance and Administration. Responsibility for both the accuracy of the data presented and completeness and fairness of the presentation, including all disclosures, rests with the State. I believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the State's financial activity have been included.

Accounting System and Budgetary Control

The State's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when measurable and available and expenditures being recorded when services or goods are received and the liabilities incurred. Accounting records for expendable trust and agency funds are similarly maintained. The State's proprietary, nonexpendable trust, pension trust and college and university funds are accounted for on the accrual basis.

In developing and modifying the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. I believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of available balances are not released until budget revisions are approved or additional appropriations are made. Open encumbrances are reported as reservations of fund balance at June 30, 1984.

The Reporting Entity and Its Services

The funds and entities related to the State of Tennessee included in our Comprehensive Annual Financial Report are controlled by or dependent on the State. Determination of "controlled by or dependent on" is based on criteria developed by the National Council on Governmental Accounting in their Statement 3, Defining the Governmental Reporting Entity. The criteria deal with existence as an organized entity; governmental character; and substantial autonomy. Based on these criteria the various funds and account groups (being all the funds and account groups of the State) shown in the Table of Contents are included in this report.

The State provides the full range of services contemplated by statute or character. These include education, health and social services, transportation, law, justice, public safety, recreation and resources development, public improvements and general administrative services.

General Governmental Functions

Revenues for general governmental functions totaled $3.9 billion in 1984, an all-time high and an increase of 15% over 1983. Taxes represented 58% of general revenues compared to 60% last year. The amount of revenues from various sources and the changes from last year are shown below (expressed in thousands).

Revenue Source	Amount	Percent of Total	Increase (Decrease) from 1983
Taxes	$ 2,295,044	58.2%	$ 247,441
Licenses, fees and permits	60,320	1.5	12,719
Interest on investments	56,567	1.4	(6,414)
Federal	1,308,304	33.2	245,917
Departmental services	215,753	5.5	14,203
Other	9,368	.2	(780)
	$ 3,945,356	100.0%	$ 513,086

Tennessee's 1984 revenue picture was brightened considerably by the effects of an improving national economy. In addition, (1) a temporary 1% sales tax increase, effective April 1, 1984, (2) the phased change from a two to a four-year cycle for drivers' license renewals and (3) federal funding participation in mounting health care programs and increased highway and bridge construction projects generated significant increments in line item revenue sources.

Expenditures for general governmental purposes totaled $3.4 billion in 1984, also a record and a 12% increase over the previous year. Changes in expenditures by function from 1983 levels are presented in the following tabulation (expressed in thousands).

Function	Amount	Percent of Total	Increase (Decrease) from 1983
General government	$ 134,998	4.0%	$ 31
Education	981,080	28.7	10,718
Health and social services	1,295,742	38.0	190,218
Law, justice and public safety	212,925	6.2	19,460
Recreation and resources development	112,285	3.3	34,443
Regulation of business and professions	13,566	.4	(3,077)
Transportation	544,367	15.9	116,672
Debt service	87,640	2.6	(3,956)
Capital outlay	31,537	.9	6,132
	$ 3,414,140	100.0%	$ 370,641

Functionally, the largest increments occurred in health and social services where burgeoning Medicaid costs reached $582 million (vs. $437 million in 1983); in recreation and resources development where some $30 million was expended under the new Small Cities Community Development Block Grant program; in transportation where interstate and primary highway construction expenditures reflected increased programs in these areas; and in capital outlay where improved economic conditions sparked a modest rebound from last year's low level.

Ending fund balances for all governmental fund types increased $108 million to $505 million at June 30, 1984, the highest level this decade. Of this total, unreserved fund balances aggregated $150 million as compared to $28 million a year ago.

Debt Administration

Tennessee continues to receive excellent bond ratings from both Moody's Investors Service (Aaa) and Standard and Poor's Corporation (AA+), reflecting our long-standing record of sound financial management. No general obligation bond issues were sold by the State during the year. As a result, general long-term debt decreased from $583 million at June 30, 1983 to $531 million at June 30, 1984. The following table presents certain data regarding general obligation bonds issued during the last five fiscal years.

Date of Issue	Amount (Millions)	Average Interest Rate
August 1, 1980	$ 71.4	7.017%
November 1, 1982	100.0	8.370

The ratio of net general long-term debt to assessed valuation and the amount of net debt per capita and per family are useful indicators of the State's debt position to citizens, investors and management. At June 30, 1984 these data were as follows:

	Amount	Ratio of Debt to Assessed Value	Debt per Capita	Debt per Family
Net General Long-Term Debt	$524,246,000	2.03%	$ 111.02	$399.67

Cash Management

In recent years the State Treasurer has pursued an aggressive cash management and investment program. One aspect of this which we believe is unique to Tennessee is our direct access into the Federal Reserve wire system. Through the State Trust of Tennessee, all wire services in the federal system are available via a terminal located in the State's investment offices. This provides the State with unprecedented flexibility in investing and concentrating cash balances and pension fund assets. During fiscal year 1984, uncommitted State funds were invested in short-term collateralized deposits as follows (averaged): time deposits (70%); repurchase agreements (24%); U.S. Treasury bills (3%); and money market accounts (3%). The composite average yield on these investments was 9.46%, down from 10.59% last year as interest rates moderated.

Proprietary Funds

Combined operating revenues for the State's enterprise funds decreased from $80 million in 1983 to $79 million in 1984. Combined operating expenses also decreased from $73 million to $68 million during the same period. The Tennessee Housing Development Agency (THDA), created to provide housing loans to lower and moderate income citizens, again paced the enterprise fund activity ($66 million and $56 million in operating revenues and expenses, respectively). Outstanding enterprise fund bonds at June 30, 1984 totaled $729 million, consisting of $74 million in State Loan Program general obligation bonds and $655 million in THDA revenue bonds.

Combined operating results for the State's internal service funds improved in 1984, led by Motor Vehicle Management's operating income of $2.7 million. Combined operating revenues and expenses for these cost-reimbursement agencies aggregated $39 million and $36 million, respectively, as compared to 1983 amounts of $40 million each. The principal internal service operations provide data processing services, motor pool vehicles and prison industry products to other State departments. Tennessee State School Bond Authority revenue refunding bonds of $52 million were outstanding at June 30, 1984 offset by investment securities of like amount.

College and University Funds

College and University current funds revenues increased 6% to $546 million in 1984. State appropriations to these institutions rose 4% to $396 million. The primary highlight in current funds revenue was the increase in income from government grants and contracts ($122 million in 1984 vs. $106 million in 1983). Since the colleges and universities did not increase tuition and fees this year, only a modest increment (tied to enrollment) occurred in this revenue category. Current funds expenditures also increased in 1984, some 6% to $925 million. Instruction expenditures ($346 million, up 7%) and auxiliary enterprises and hospitals expenditures ($176 million, up 3%) led the way. Student loans outstanding at June 30, 1984, primarily from federal government sources, totaled $36 million, equivalent to the 1983 amount. Total assets of the endowment and similar funds group rose 13% in 1984 to $54 million. College and university revenue bonded indebtedness decreased $5 million to $239 million at June 30, 1984. Enrollment rose to 107,000 students, university students increasing by 1,600 to 86,000 and community college students holding level at 21,000.

Pension Plan

Total assets of the State's pension trust fund reached $3.5 billion at June 30, 1984. The latest actuarial valuation of the plan, prepared as of June 30, 1983, indicated that the actuarially computed value of vested benefits exceeded net assets of the fund at that date by $477 million. The actuarial report also noted that progress in funding continued, the plan termination liability funding ratio for the entire system, including electing political subdivisions, increasing to 83% at June 30, 1983.

General Fixed Assets

The general fixed assets of the State are those fixed assets used in the performance of general governmental functions. They exclude the fixed assets of the Enterprise, Internal Service and College and University Funds. An inventory of all State-owned land and buildings was completed in 1984, and a computerized real property management system is now in place to maintain this information at cost, estimated historical cost or fair market value, as appropriate. As of June 30, 1984 the State's general fixed assets, based on this inventory, amounted to $846 million.

Independent Audit

State statutes require an annual audit of all fund types and account groups of the State. The accompanying financial statements have been examined by the Division of State Audit, Office of the Comptroller of the Treasury. Their examination was conducted in accordance with generally accepted auditing standards, and their unqualified opinion, the first since the State converted to financial reporting in conformity with generally accepted accounting principles, appears elsewhere herein.

Certificate of Conformance

The Municipal Finance Officers Association of the United States and Canada, now called the Government Finance Officers Association of the United States and Canada (GFOA), awarded a Certificate of Conformance in Financial Reporting to the State of Tennessee for its Comprehensive Annual Financial Report for the year ended June 30, 1983. In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Conformance is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Conformance Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Past Year's Operations and Future Prospects

Buoyed by an upturn in the national economy, State revenues reached new highs in 1984. Governmental revenues exceeded expenditures by $531 million (before State appropriations to higher education current and plant funds of $396 million and $21 million, respectively). These strong results enabled us to increase our revenue reserve at June 30, 1984 from $10 million to $50 million. In addition, $50 million was designated and will be transferred to the State's pension trust to improve funding of that system.

In the coming year we will begin implementation of your major priority - to provide better education for Tennessee's children, challenging our citizens to insure that their schools are among the best in the nation. We will also continue in our progressive and responsible financial management; and in our leadership role in accounting and financial reporting.

Respectfully submitted,

Hubert L. McCullough

Hubert L. McCullough, Commissioner
Department of Finance and Administration

HLM/jr

STATE OF TENNESSEE

COMPTROLLER OF THE TREASURY

William R. Snodgrass
Comptroller

STATE CAPITOL
NASHVILLE, TENNESSEE 37219-5043
PHONE (615) 741-2501

December 26, 1984

To the Members of the General Assembly
of the State of Tennessee
and
The Honorable Lamar Alexander, Governor
State of Tennessee

Ladies and Gentlemen:

In accordance with Section 4-3-304, Tennessee Code Annotated, transmitted herewith is the accountants' report on the Comprehensive Annual Financial Report of the State of Tennessee for the fiscal year ended June 30, 1984.

Respectfully,

W. R. Snodgrass
Comptroller of the Treasury

WRS/jr

Certificate of Conformance in Financial Reporting

Presented to

State of Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1983

A Certificate of Conformance in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

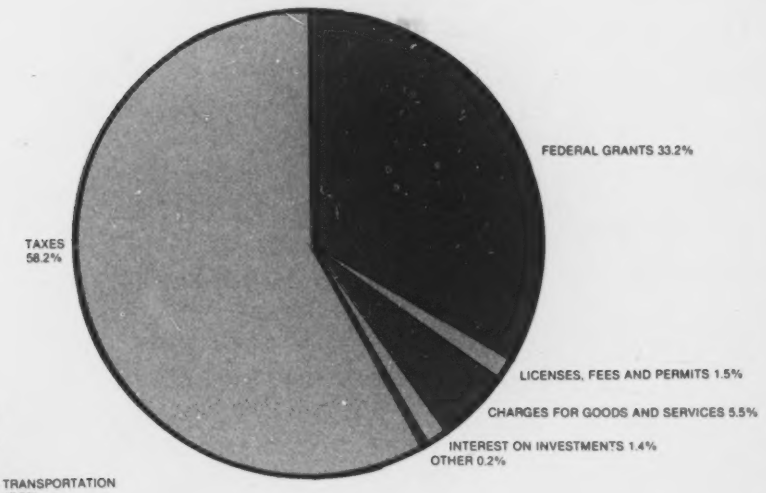
President

Executive Director

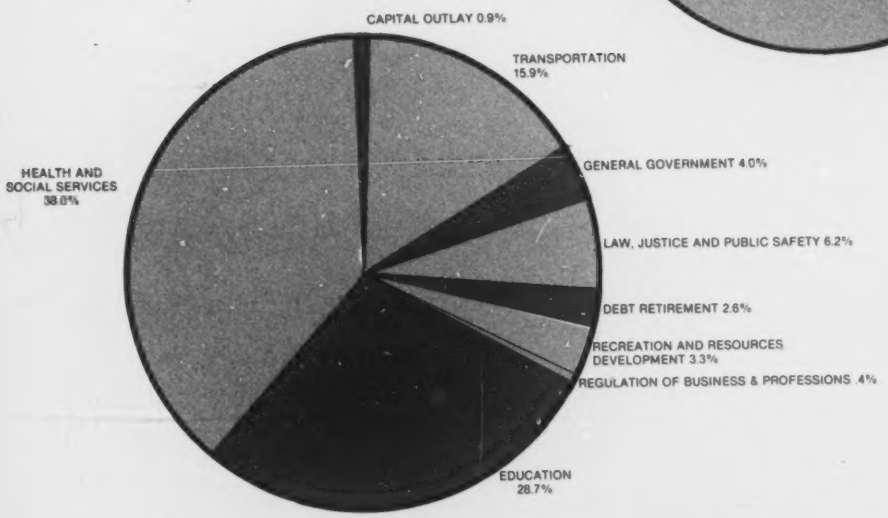
The State of Tennessee was awarded the Certificate of Conformance by the Government Finance Officers Association of the United States and Canada for its Annual Financial Report for the year ended June 30, 1983. Tennessee and Maryland are the only states to currently hold a valid Certificate of Conformance.

STATE OF TENNESSEE
GRAPHIC PRESENTATION OF REVENUES AND EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1984

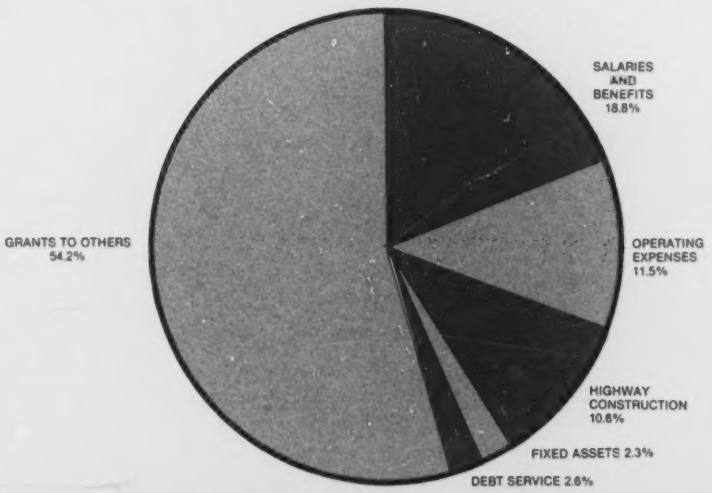
REVENUES BY SOURCE



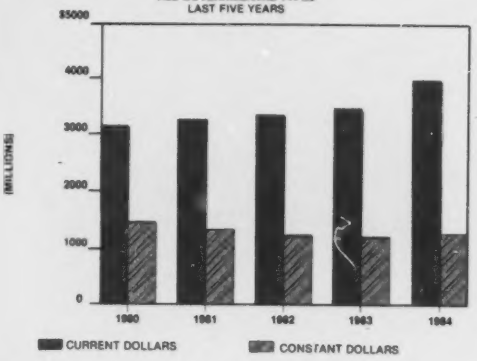
EXPENDITURES BY FUNCTION



EXPENDITURES BY OBJECT

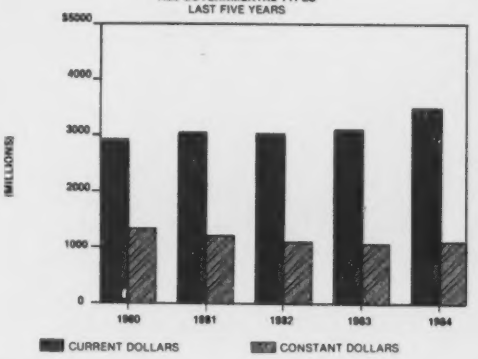


STATE OF TENNESSEE
REVENUES
ALL GOVERNMENTAL TYPES
LAST FIVE YEARS



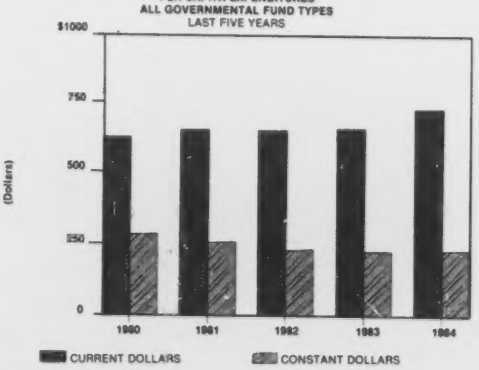
CURRENT DOLLARS	**$3,123**	**$3,286**	**$3,323**	**$3,432**	**$3,945**
CONSTANT DOLLARS (1967)	$1,435	$1,322	$1,220	$1,180	$1,267
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CURRENT DOLLARS	10.1%	4.5%	1.8%	3.3%	14.9%
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CONSTANT DOLLARS	1.2%	(7.9%)	(7.7%)	(2.5%)	6.5%

STATE OF TENNESSEE
EXPENDITURES
ALL GOVERNMENTAL TYPES
LAST FIVE YEARS



CURRENT DOLLARS	**$2,890**	**$3,000**	**$2,990**	**$3,043**	**$3,414**
CONSTANT DOLLARS (1967)	$1,328	$1,214	$1,098	$1,055	$1,096
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CURRENT DOLLARS	15.9%	3.8%	(0.3%)	1.8%	12.2%
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CONSTANT DOLLARS	3.3%	(8.6%)	(9.6%)	(3.9%)	3.9%

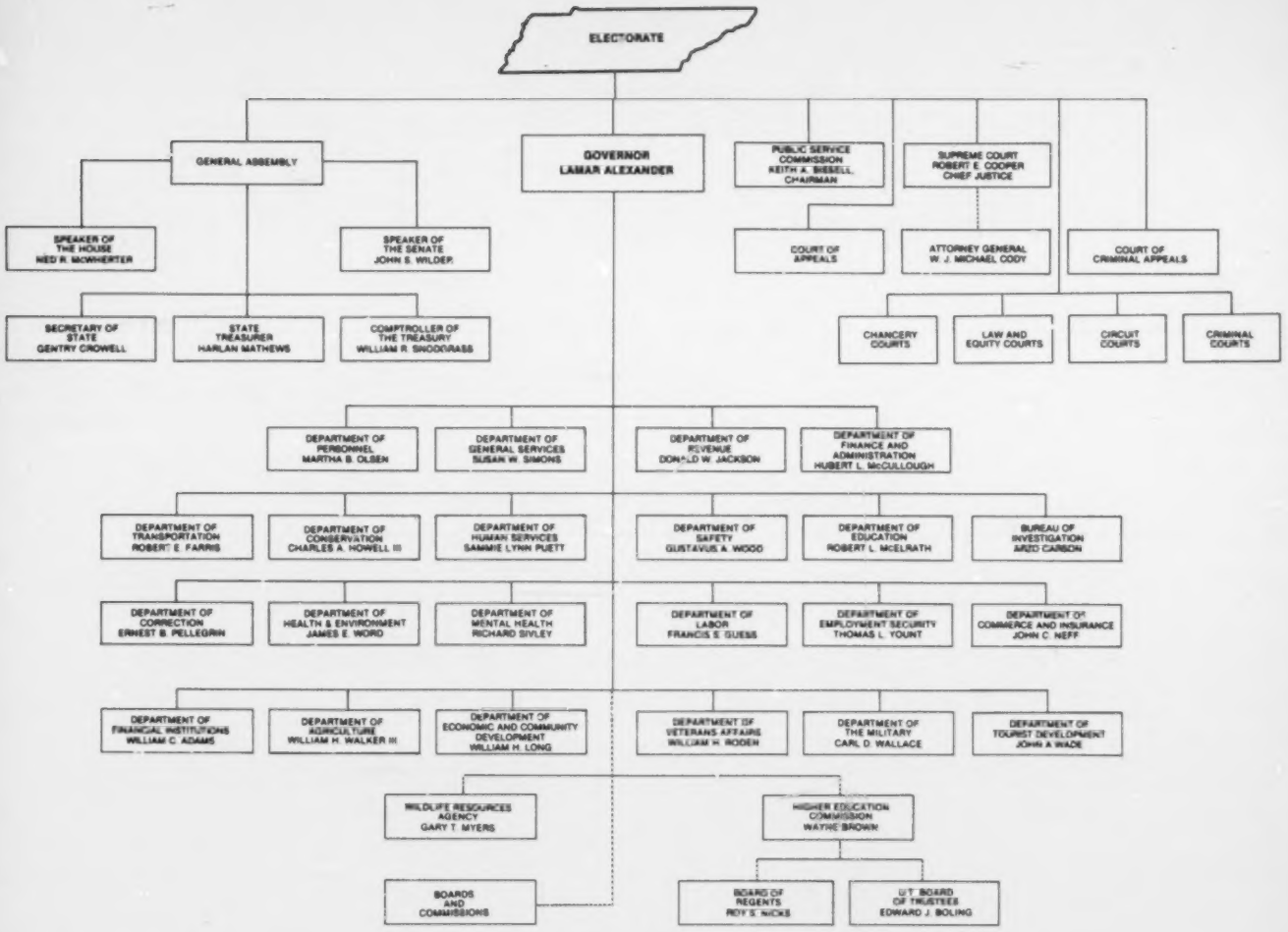
STATE OF TENNESSEE
PER CAPITA EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
LAST FIVE YEARS



CURRENT DOLLARS	**$828**	**$850**	**$845**	**$851**	**$723**
CONSTANT DOLLARS (1967)	$268	$263	$237	$228	$232
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CURRENT DOLLARS	13.4%	3.5%	(.8%)	.9%	11.1%
PERCENT INCREASE (DECREASE) OVER PRIOR YEAR IN CONSTANT DOLLARS	1.4%	(8.7%)	(9.9%)	(4.8%)	2.7%

NOTE: EXPENDITURES EXPRESSED IN CONSTANT DOLLARS WERE DERIVED BY USING THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS.

STATE OF TENNESSEE
ORGANIZATION CHART
1984



Financial Section

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF STATE AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37219-5047
PHONE (615) 741-3697

December 21, 1984

The Honorable W. R. Snodgrass
Comptroller of the Treasury
State Capitol
Nashville, Tennessee 37219

Dear Mr. Snodgrass:

We have examined the combined financial statements of the State of Tennessee and the combining and individual financial statements of the funds and account groups of the State as of and for the year ended June 30, 1984 as listed in the foregoing table of contents. Our examination was made in accordance with generally accepted government auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the combined financial statements present fairly the financial position of the State of Tennessee at June 30, 1984 and the results of its operations and the changes in financial position of proprietary and similar trust fund types for the year then ended and the combining and individual financial statements of the funds and account groups present fairly the financial position of the individual funds of the State of Tennessee at June 30, 1984 and the results of their operations and the changes in financial position of the proprietary and similar trust funds for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The statistical and economic data, listed in the foregoing table of contents, were not audited by us and, accordingly, we do not express an opinion thereon.

Respectfully,

Frank L. Greathouse

Frank L. Greathouse, CPA, Director
Division of State Audit

FLG/jr

General Purpose Financial Statements

STATE OF TENNESSEE
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1984

(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
CASH AND CASH EQUIVALENTS	$ 215,306	$ 296,009	$ 7,263	$ 154,982
CASH ON DEPOSIT WITH FISCAL AGENTS				
INVESTMENTS				
RECEIVABLES (Note 1)	163,700	56,190		674
INTERFUND RECEIVABLES (Note 2)	916	401		
INVENTORIES		8,424		
PREPAYMENTS			1	
LAND				
STRUCTURES AND IMPROVEMENTS				
MACHINERY AND EQUIPMENT				
LESS - ACCUMULATED DEPRECIATION				
CONSTRUCTION IN PROGRESS				
AMOUNT AVAILABLE IN DEBT SERVICE FUND				
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG - TERM OBLIGATIONS				
DEFERRED CHARGES AND OTHER				
TOTAL ASSETS	$ 379,922	$ 361,024	$ 7,264	$ 155,656
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
WARRANTS PAYABLE	$ 49,241	$ 19,495	$ 1	$ 5,657
ACCOUNTS PAYABLE AND ACCRUALS	152,360	59,444	689	4,565
INTERFUND PAYABLES (Note 2)	4,108	784		2,310
NOTES PAYABLE (Note 3)				88,520
BONDS PAYABLE (Note 3)				
CALL PREMIUMS PAYABLE				
LEASE OBLIGATIONS PAYABLE (Note 3)				
OTHER	1,271	9,758		182
TOTAL LIABILITIES	206,980	89,481	690	101,234
FUND EQUITY (Note 2):				
CONTRIBUTED CAPITAL				
INVESTMENT IN FIXED ASSETS				
RETAINED EARNINGS:				
RESERVED FOR BOND RETIREMENT				
UNRESERVED				
FUND BALANCES (Note 1):				
RESERVED FOR:				
RELATED ASSETS		8,424		
ENCUMBRANCES AND CONTRACTS	7,278	179,170		10,000
CONTINUING APPROPRIATIONS	7,497			
OTHER SPECIFIC PURPOSES	31,921	66,426		44,422
UNRESERVED:				
DESIGNATED FOR REVENUE FLUCTUATIONS	50,000			
DESIGNATED FOR CLAIMS AGAINST THE STATE	3,000			
DESIGNATED FOR HIGHWAY CONSTRUCTION		17,523		
DESIGNATED FOR DEBT SERVICE			6,574	
DESIGNATED FOR TRUST PURPOSES				
DESIGNATED FOR COLLEGES AND UNIVERSITIES				
DESIGNATED FOR OTHER SPECIFIC PURPOSES	72,687			
UNDESIGNATED	559			
TOTAL FUND EQUITY	172,942	271,543	6,574	54,422
TOTAL LIABILITIES AND FUND EQUITY	$ 379,922	$ 361,024	$ 7,264	$ 155,656

See accompanying Notes to the Financial Statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS (Notes 1, 2)	GENERAL LONG-TERM OBLIGATIONS (Note 3)	COLLEGE AND UNIVERSITY	JUNE 30, 1984	JUNE 30, 1983
$ 122,116	$ 14,596	$ 510,196			$ 183,489	$ 1,503,957	$ 1,348,769
	817	187,561			26,930	215,308	77,451
73,945	52,495	3,159,978			52,288	3,338,706	2,975,500
709,882	11	204,622			104,079	1,239,158	988,594
	138	11,004			3,737	16,196	29,777
5	342				16,334	25,105	27,384
	43					44	19
	1,468		$ 53,596		49,433	104,497	103,926
	13,144		627,251		1,012,224	1,652,619	1,594,282
535	39,017		156,260		376,007	571,819	517,954
(353)	(25,838)					(26,191)	(25,145)
			8,812		21,679	30,491	31,496
				$ 6,574		6,574	2,143
				576,112		576,112	630,771
1,253	410				3,869	5,532	5,713
$ 907,383	$ 96,643	$ 4,073,361	$ 845,919	$ 582,686	$ 1,850,069	$ 9,259,927	$ 8,308,634
$ 1,225	$ 405	$ 4,822				$ 80,846	$ 59,592
35,429	2,209	161,700		$ 51,866	$ 74,227	542,489	460,867
18	63	1,831			7,082	16,196	29,777
78,280					2,083	168,883	200,726
729,487	52,274			530,820	238,709	1,551,290	1,594,575
	1,533					1,533	1,533
					16,842	16,842	16,192
3,088	617	219,066			35,037	269,019	251,268
847,527	57,101	387,419		582,686	373,980	2,647,098	2,614,530
593	31,643					32,236	35,733
			$ 845,919		1,201,601	2,047,520	1,934,324
14,647						14,647	11,496
44,616	7,899					52,515	42,229
					35,599	44,023	47,197
					13,970	210,418	209,026
						7,497	8,860
		3,677,094			152,706	3,972,569	3,301,415
						50,000	10,000
						3,000	3,000
						17,523	9,615
						6,574	2,143
		8,848			3,711	12,559	1,651
					68,502	68,502	73,869
						72,687	3,122
						559	424
59,856	39,542	3,685,942	845,919		1,476,089	6,612,829	5,894,104
$ 907,383	$ 96,643	$ 4,073,361	$ 845,919	$ 582,686	$ 1,850,069	$ 9,259,927	$ 8,308,634

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	JUNE 30, 1984	JUNE 30, 1983
REVENUES:							
TAXES	$1,951,641	$ 244,223	$ 99,180		$ 345,717	$ 2,640,761	$ 2,325,607
LICENSES, FEES AND PERMITS	40,052	20,268				60,320	47,601
INTEREST ON INVESTMENTS	56,567				12,238	68,805	70,269
FEDERAL	1,036,137	269,772	92	$ 2,303	59,156	1,367,460	1,195,976
DEPARTMENTAL SERVICES	203,836	11,658		259		215,753	201,550
CONTRIBUTIONS					75,897	75,897	62,183
OTHER	4,292	5,076			1,643	11,011	12,358
TOTAL REVENUES	3,292,525	550,997	99,272	2,562	494,651	4,440,007	3,915,544
EXPENDITURES:							
CURRENT:							
GENERAL GOVERNMENT	129,101	5,897			73,227	208,225	206,362
EDUCATION	980,178	902				981,080	970,362
HEALTH AND SOCIAL SERVICES	1,295,016	726			218,089	1,513,831	1,567,888
LAW, JUSTICE AND PUBLIC SAFETY	212,812	113				212,925	193,465
RECREATION AND RESOURCES DEVELOPMENT	98,444	13,841				112,285	77,842
REGULATION OF BUSINESS AND PROFESSIONS	13,566					13,566	12,928
TRANSPORTATION		544,367				544,367	427,695
DEBT SERVICE			87,640			87,640	91,596
CAPITAL OUTLAY				31,537		31,537	25,405
TOTAL EXPENDITURES	2,729,117	565,846	87,640	31,537	291,316	3,705,456	3,573,543
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	563,408	(14,849)	11,632	(28,975)	203,335	734,551	342,001
OTHER FINANCING SOURCES (USES):							
PROCEEDS FROM BOND SALE							100,000
OPERATING TRANSFERS IN		19,720	6,519	14,988		41,227	36,820
OPERATING TRANSFERS OUT	(429,371)	(56)	(13,720)	(21,202)		(464,349)	(445,679)
TOTAL OTHER FINANCING SOURCES (USES)	(429,371)	19,664	(7,201)	(6,214)		(423,122)	(308,859)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	134,037	4,815	4,431	(35,189)	203,335	311,429	33,142
FUND BALANCES, JULY 1 (Note 2)	38,896	266,728	2,143	89,611	91,378	488,756	454,714
EQUITY TRANSFERS, NET	9					9	900
FUND BALANCES, JUNE 30 (Note 2)	$ 172,942	$ 271,543	$ 6,574	$ 54,422	$ 294,713	$ 800,194	$ 488,756

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	JUNE 30, 1984	JUNE 30, 1983
OPERATING REVENUES:						
CHARGES FOR SERVICES	$ 2,329	$ 36,040			$ 38,369	$ 39,260
CONTRIBUTIONS				$ 352,260	352,260	341,960
INVESTMENT INCOME	67,806	3,037	$ 1,062	342,868	414,773	345,294
INTERGOVERNMENTAL	8,544		1,510		10,054	10,460
OTHER		87	1,058		1,145	1,049
TOTAL OPERATING REVENUES	78,679	39,164	3,630	695,128	816,601	738,023
OPERATING EXPENSES:						
PERSONAL SERVICES	2,807	9,108			11,915	13,869
CONTRACTUAL SERVICES	2,117	3,787		14,451	20,355	18,829
MATERIALS AND SUPPLIES	416	10,931			11,347	13,444
RENTALS AND INSURANCE	98	4,289			4,387	4,395
GRANTS AND SUBSIDIES			6,942		6,942	7,672
INTEREST	61,892	3,063			64,955	69,336
DEPRECIATION AND AMORTIZATION	440	4,961			5,401	5,168
BENEFITS				168,412	168,412	154,443
REFUNDS				23,259	23,259	20,708
OTHER	375	255	960		1,590	1,708
TOTAL OPERATING EXPENSES	68,145	36,394	7,902	206,122	318,563	309,572
OPERATING INCOME (LOSS)	10,534	2,770	(4,272)	489,006	498,038	428,451
NONOPERATING REVENUES	1,746	121			1,867	
INCOME (LOSS) BEFORE OPERATING TRANSFERS	12,280	2,891	(4,272)	489,006	499,905	428,451
OPERATING TRANSFERS IN		31	6,079	56	6,166	6,493
INCOME BEFORE EXTRAORDINARY ITEM	12,280	2,922	1,807	489,062	506,071	434,944
EXTRAORDINARY CHARGE (Note 3)	(2,129)				(2,129)	
NET INCOME/CHANGE IN RETAINED EARNINGS	10,151	2,922	1,807	489,062	503,942	434,944
OTHER CHANGES IN FUND EQUITY:						
EQUITY TRANSFERS OUT		(9)			(9)	(900)
CONTRIBUTED FIXED ASSETS		166			166	92
CHARGE FROM REASSIGNMENT OF OPERATIONS TO GENERAL FUND		(3,290)			(3,290)	(2,207)
NET CHANGE IN FUND EQUITY	10,151	(211)	1,807	489,062	500,809	431,929
FUND EQUITY, JULY 1 (Note 2)	49,705	39,753	13,831	2,886,529	2,989,818	2,557,889
FUND EQUITY, JUNE 30	$ 59,856	$ 39,542	$ 15,638	$ 3,375,591	$ 3,490,627	$ 2,989,818

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	PENSION TRUST	JUNE 30, 1984	JUNE 30, 1983
SOURCES OF WORKING CAPITAL:						
OPERATIONS:						
INCOME BEFORE EXTRAORDINARY ITEM	$ 12,280	$ 2,922	$ 1,807	$ 489,062	$ 506,071	$ 434,944
ITEMS NOT REQUIRING WORKING CAPITAL - DEPRECIATION AND AMORTIZATION	440	4,961			5,401	5,168
WORKING CAPITAL PROVIDED BY OPERATIONS, EXCLUSIVE OF EXTRAORDINARY ITEM	12,720	7,883	1,807	489,062	511,472	440,112
EXTRAORDINARY ITEM - EARLY RETIREMENT OF BONDS, INCLUDING EXTRAORDINARY CHARGE OF $2,129 (Note 3)	(109,000)				(109,000)	
WORKING CAPITAL PROVIDED BY OPERATIONS	(96,280)	7,883	1,807	489,062	402,472	440,112
PROCEEDS FROM SALE OF BONDS	138,481				138,481	150,000
DISPOSAL OF MACHINERY AND EQUIPMENT	9	1,084			1,093	1,472
DECREASE IN LOANS TO OTHER GOVERNMENTS	5,090				5,090	
SALE OF LONG-TERM INVESTMENTS	2,065				2,065	
TOTAL SOURCES OF WORKING CAPITAL	49,365	8,967	1,807	489,062	549,201	591,584
USES OF WORKING CAPITAL:						
PURCHASE OF LONG-TERM INVESTMENTS		78			78	24,076
INCREASE IN NONCURRENT RECEIVABLES	91,129				91,129	43,475
INCREASE IN DEFERRED CHARGES	271				271	166
ACQUISITION OF FIXED ASSETS	46	6,310			6,356	5,493
DECREASE IN LONG-TERM DEBT	19,209				19,209	18,017
EQUITY TRANSFER OUT		9			9	900
CHARGE FROM REASSIGNMENT OF OPERATIONS TO GENERAL FUND		3,290			3,290	2,207
TOTAL USES OF WORKING CAPITAL	110,655	9,687			120,342	94,334
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ (61,290)	$ (720)	$ 1,807	$ 489,062	$ 428,859	$ 497,250
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:						
CASH AND CASH EQUIVALENTS	$ (82,476)	$ (60,536)	$ 2,667	$ 98,191	$ (42,154)	$ 12,197
CASH ON DEPOSIT WITH FISCAL AGENT		(3,392)			(3,392)	(2,810)
INVESTMENTS				356,682	356,682	630,947
RECEIVABLES	11,292	(164)	(589)	34,398	44,937	13,623
INTERFUND RECEIVABLES		138		73	211	(574)
INVENTORIES	(1)	(3,563)			(3,564)	(3,093)
PREPAID EXPENSES		25			25	(17)
WARRANTS PAYABLE	(240)	437	(149)	153	201	169
ACCOUNTS PAYABLE AND ACCRUALS	(1,989)	6,497	(121)	(11,165)	(6,778)	(15,992)
INTERFUND PAYABLES	(1)	7			6	79
NOTES PAYABLE	13,970	60,232			74,202	(61,807)
CURRENT PORTION OF LONG-TERM DEBT	(2,085)				(2,085)	(2,410)
OTHER	240	(401)	(1)	10,730	10,568	(73,062)
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ (61,290)	$ (720)	$ 1,807	$ 489,062	$ 428,859	$ 497,250

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
ALL COLLEGE AND UNIVERSITY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	CURRENT FUNDS	FIDUCIARY FUNDS	PLANT FUNDS	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED JUNE 30, 1984	TOTALS (MEMORANDUM ONLY) FOR THE YEAR ENDED JUNE 30, 1983
REVENUES:					
TUITION AND FEES	$ 125,205		$ 4,432	$ 129,637	$ 128,541
FEDERAL APPROPRIATIONS, GRANTS AND CONTRACTS	125,924	$ 1,501	800	128,225	114,382
STATE GRANTS AND CONTRACTS	12,414			12,414	9,225
PRIVATE GIFTS, GRANTS AND CONTRACTS	32,619	4,495	2,026	39,140	47,048
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	25,838			25,838	22,426
SALES AND SERVICES OF AUXILIARY ENTERPRISES AND HOSPITALS	195,259			195,259	194,191
OTHER	28,836	4,206	9,640	42,682	39,428
TOTAL REVENUES	546,095	10,202	16,898	573,195	555,241
EXPENDITURES:					
INSTRUCTION	345,732			345,732	321,949
RESEARCH	54,594			54,594	50,377
PUBLIC SERVICE	50,136			50,136	44,634
ACADEMIC SUPPORT	63,312			63,312	60,756
STUDENT SERVICES	48,266	389		48,655	45,578
INSTITUTIONAL SUPPORT	74,212			74,212	72,825
OPERATION AND MAINTENANCE OF PLANT	68,817			68,817	64,229
SCHOLARSHIPS AND LOAN CANCELLATIONS	44,010	683		44,693	43,794
AUXILIARY ENTERPRISES AND HOSPITALS	175,939			175,939	170,290
INTEREST PAYMENTS			17,317	17,317	11,442
OTHER		2,908	5,841	8,749	1,667
TOTAL EXPENDITURES	925,018	3,980	23,158	952,156	887,541
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(378,923)	6,222	(6,260)	(378,961)	(332,300)
OTHER INCREASES (DECREASES) IN FUND EQUITY:					
OPERATING TRANSFERS IN (OUT)	371,397	8	45,551	416,956	402,366
CAPITALIZED CURRENT FUND EXPENDITURES			58,260	58,260	40,885
DISPOSAL OF PLANT FACILITIES			(21,236)	(21,236)	(39,980)
MISCELLANEOUS	4,596			4,596	1,128
TOTAL OTHER INCREASES (DECREASES) IN FUND EQUITY	375,993	8	82,575	458,576	404,399
EXCESS OF REVENUES AND OTHER INCREASES OVER (UNDER) EXPENDITURES AND OTHER DECREASES	(2,930)	6,230	76,315	79,615	72,099
FUND EQUITY, JULY 1 (Note 2)	94,297	87,965	1,214,212	1,396,474	1,324,375
FUND EQUITY, JUNE 30	$ 91,367	$ 94,195	$ 1,290,527	$ 1,476,089	$ 1,396,474

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND AND ALL SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES (BUDGETARY BASIS), JULY 1, as previously stated	$ 39,010	$ 39,010	
LESS - TRANSFER OF AREA VOCATIONAL - TECHNICAL SCHOOLS TO COLLEGES AND UNIVERSITIES (Note 2)	1,638	1,638	
FUND BALANCES (BUDGETARY BASIS), JULY 1, as restated	37,372	37,372	
ADD - ENCUMBRANCE AND CONTRACT RESERVES REAPPROPRIATED	5,911	5,911	
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	43,283	43,283	
REVENUES:			
TAXES	1,859,400	1,943,423	$ 84,023
LICENSES, FEES AND PERMITS	40,680	40,052	(628)
INTEREST ON INVESTMENTS	52,500	56,567	4,067
FEDERAL	1,121,301	1,032,695	(88,606)
DEPARTMENTAL SERVICES	211,572	203,385	(8,187)
OTHER	2,035	4,292	2,257
OTHER FINANCING SOURCES - TRANSFERS IN	9	9	
TOTAL SOURCES OF FINANCIAL RESOURCES	3,330,780	3,323,706	(7,074)
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
LEGISLATIVE	9,810	8,071	1,739
SECRETARY OF STATE	9,156	8,718	438
COMPTROLLER	21,522	18,037	3,485
TREASURER	8,973	8,438	535
PUBLIC SERVICE COMMISSION			
GOVERNOR	2,729	2,407	322
COMMISSIONS	26,590	25,453	1,137
FINANCE AND ADMINISTRATION	4,266	3,868	398
PERSONNEL	3,541	3,373	168
GENERAL SERVICES	14,517	13,745	772
REVENUE	27,157	26,136	1,021
OTHER GENERAL GOVERNMENT	14,608	12,192	2,416
EDUCATION	1,013,070	980,607	32,463
VETERANS AFFAIRS	929	902	27
EMPLOYMENT SECURITY	51,561	42,882	8,679
LABOR	67,922	36,382	31,540
MENTAL HEALTH AND MENTAL RETARDATION	181,529	174,115	7,414
HEALTH AND ENVIRONMENT	736,498	728,530	7,968
HUMAN SERVICES	320,832	308,599	12,233
JUDICIAL	34,911	34,450	461
CORRECTION	135,117	128,044	7,073
MILITARY	16,272	12,347	3,925
BUREAU OF CRIMINAL INVESTIGATION	6,053	5,972	81
SAFETY	39,181	35,427	3,754
AGRICULTURE	11,458	9,945	1,513
TOURIST DEVELOPMENT	5,895	5,368	527
CONSERVATION	49,880	43,367	6,513
WILDLIFE RESOURCES			
ECONOMIC AND COMMUNITY DEVELOPMENT	52,922	40,636	12,286
COMMERCE AND INSURANCE	11,327	10,796	531
FINANCIAL INSTITUTIONS	2,894	2,836	58
TRANSPORTATION			
OTHER FINANCING USES - TRANSFERS OUT	429,371	429,371	
TOTAL USES OF FINANCIAL RESOURCES	3,310,491	3,161,014	149,477
FUND BALANCES (BUDGETARY BASIS), JUNE 30 (Note 2)	$ 20,289	$ 162,692	$ 142,403

See accompanying Notes to the Financial Statements.

SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 28,877	$ 28,877		$ 67,887	$ 67,887	
			1,638	1,638	
28,877	28,877		66,249	66,249	
268,362	268,362		274,273	274,273	
297,239	297,239		340,522	340,522	
240,300	244,223	$ 3,923	2,099,700	2,187,646	$ 87,946
16,160	20,268	4,108	56,840	60,320	3,480
			52,500	56,567	4,067
266,937	253,108	(13,829)	1,388,238	1,285,803	(102,435)
18,450	11,659	(6,791)	230,022	215,044	(14,978)
3,700	5,076	1,376	5,735	9,368	3,633
19,720	19,720		19,729	19,729	
862,506	851,293	(11,213)	4,193,286	4,174,999	(18,287)
			9,810	8,071	1,739
			9,156	8,718	438
			21,522	18,037	3,485
1,633	1,330	303	10,606	9,768	838
4,669	4,616	53	4,669	4,616	53
			2,729	2,407	322
			26,590	25,453	1,137
			4,266	3,868	398
			3,541	3,373	168
			14,517	13,745	772
			27,157	26,136	1,021
			14,608	12,192	2,416
1,134	901	233	1,014,204	981,508	32,696
			929	902	27
			51,561	42,882	8,679
			67,922	36,382	31,540
			181,529	174,115	7,414
3,342	728	2,614	739,840	729,258	10,582
			320,832	308,599	12,233
			34,911	34,450	461
			135,117	128,044	7,073
			16,272	12,347	3,925
			6,053	5,972	81
181	123	58	39,362	35,550	3,812
			11,458	9,945	1,513
			5,895	5,368	527
			49,880	43,367	6,513
14,892	14,431	461	14,892	14,431	461
			52,922	40,636	12,286
			11,327	10,796	531
			2,894	2,836	58
811,880	785,636	26,244	811,880	785,636	26,244
56	56		429,427	429,427	
837,787	807,821	29,966	4,148,278	3,968,835	179,443
$ 24,719	$ 43,472	$ 18,753	$ 45,008	$ 206,164	$ 161,156

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation - The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial statements for the College and University Funds have been prepared in conformity with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants in Audits of Colleges and Universities. The accompanying statements include all fund types and account groups of the various boards, commissions, agencies, authorities, colleges and universities of the state. Certain amounts presented for the preceding year have been reclassified for comparative purposes.

B. Fund Structure and Basis of Accounting - The accompanying financial statements are structured into four categories of funds and a fifth type of accounting entity, account groups. The fund categories include governmental funds, proprietary funds, fiduciary funds and college and university funds. Account groups are presented for general fixed assets and general long-term obligations.

The state's governmental funds include:

1. the General Fund - used to account for all financial transactions not accounted for in another fund;
2. the Special Revenue Funds - used to account for specific revenues earmarked to finance particular programs and activities;
3. the Debt Service Fund - used to account for the payment of principal and interest on general long-term debt; and
4. the Capital Projects Fund - used to account for the acquisition or construction of all major governmental general fixed assets.

All of the governmental funds are accounted for on the modified accrual basis of accounting. In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Principal revenue sources accounted for on the modified accrual basis include federal grants ($1.3 billion), departmental services ($216 million) and interest on investments ($57 million). Sales taxes ($1.3 billion), petroleum and vehicular-related taxes and fees, licenses, gross receipts taxes and other miscellaneous revenue sources are accounted for on the cash basis. Expenditures are recorded at the time liabilities are incurred except:

a. Inventories generally are considered expenditures at acquisition;
b. Prepayments usually are not recorded; and
c. Interest on long-term debt is recorded when due.

Encumbrance accounting is utilized for budgetary control purposes. Encumbrances outstanding at year end are reported as reservations of fund balance for subsequent year expenditure.

The proprietary funds include:

1. the Enterprise Funds - used to account for the operations of self-sustaining state agencies rendering service to the general public on a user charge basis; and
2. the Internal Service Funds - used to account for the operations of self-sustaining state agencies rendering services to other state agencies on a cost reimbursement basis.

The proprietary funds are accounted for on the accrual basis of accounting.

The fiduciary funds include the Trust and Agency Funds which are used to account for assets held by the state as trustee or agent. Nonexpendable and Pension Trust Funds are accounted for on the accrual basis of accounting. Expendable Trust and Agency Funds are accounted for on the modified accrual basis of accounting.

The college and university funds include:

1. Current Funds - used to account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with externally-restricted purposes;
2. Fiduciary Funds - used to account for assets held by loan, endowment, life income and agency funds in which the universities act in a fiduciary capacity; and
3. Plant Funds - used to account for institutional property acquisition, renewal, replacement, debt service and investment.

The college and university funds are accounted for on the accrual basis of accounting.

The account group for general fixed assets is maintained to account for all fixed assets acquired or constructed for use by the state, other than those accounted for in the proprietary, fiduciary and college and university funds. The account group for general long-term obligations is maintained to account for general obligation bonds outstanding and accrued annual and compensatory leave, not otherwise recorded in proprietary, fiduciary and college and university funds.

C. Budgetary Process - Legislation requires the Governor to present his proposed budget to the General Assembly at the beginning of each annual session. The General Assembly enacts the budget through passage of specific departmental appropriations, the sum of which may not exceed estimated revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget becomes the state's financial plan for the coming year.

Budgetary control is maintained at the departmental level. Budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, may be effected with certain executive and legislative branch approval. Only the legislature, however, may transfer appropriations between departments.

Unencumbered appropriations lapse at the end of each fiscal year. In order to provide sufficient funding for several programs during the year, supplemental appropriations of $380 thousand were required.

Since the state's annual budget is prepared principally on the cash basis, which basis differs from generally accepted accounting principles (GAAP), actual amounts in the accompanying budgetary comparison statement are presented on the budgetary basis. A reconciliation of the differences between the budgetary and GAAP bases is presented in Note 2. The budgetary comparison statement includes the General Fund and all Special Revenue Funds.

D. Cash and Cash Equivalents - In addition to bank accounts and petty cash, this classification includes all short-term investments such as certificates of deposit, repurchase agreements and U. S. Treasury bills. These investments are stated at cost which at June 30, 1984 approximated market. Collateral, as required by law, is pledged by the various banks to guarantee state funds on deposit with them. In addition, the state is custodian for other securities, not reported in the accompanying financial statements, which collateralize contractor/vendor performance.

E. Investments - This classification includes long-term investments, principally the Pension Trust Fund portfolio, which are stated at cost or amortized cost aggregating $3.34 billion. At June 30, 1984 the market value of these investments approximated $3.02 billion. Debt securities included in this classification are expected to be held to maturity and redeemed at face value.

F. Receivables - Receivables in the state's governmental and fiduciary funds primarily consist of interest and federal revenues, both recorded when earned. Since few governmental fund revenues are susceptible to accrual prior to receipt, most taxes, licenses, fees, permits and similar revenues are recognized on the cash basis. Certain Trust Fund receivables of $113 million, representing taxes and erroneous benefit payments, have been reduced by a $19 million allowance for uncollectibles. Receivables in all other funds have arisen in the ordinary course of business. College and University receivables of $121 million have been reduced by a $17 million uncollectible allowance.

G. Interfund Transactions - The state basically has three types of interfund transactions, as follows:

1. Services rendered and employee benefit contributions. These transactions are accounted for as revenues, expenditures or expenses in the funds involved.
2. Operating appropriations/subsidies. These are accounted for as operating transfers in the funds involved.
3. Equity contributions. These are accounted for as equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).

The composition of the state's interfund receivables and payables at June 30, 1984 is presented in Note 2.

H. Inventories - Inventories of materials and supplies are determined by physical count and are valued at the lower of cost (principally average cost) or market.

I. Fixed Assets and Depreciation - An inventory of state-owned land and buildings was completed in 1984. As a result, general fixed assets are presented in the accompanying financial statements at cost or estimated historical cost. Donated fixed assets are stated at fair market value at the time of donation. Interest during construction has not been capitalized. Also, certain public domain fixed assets (including highways, bridges, highway lands and rights-of-way) are not capitalized. No depreciation is provided on general fixed assets.

Enterprise and Internal Service Fund fixed assets are stated at cost. They are being depreciated principally on a straight-line basis over estimated useful lives ranging from 20 to 50 years for Structures and Improvements and 5 to 10 years for Machinery and Equipment. Certain state land and buildings, headquartering several proprietary operations, are reported in the General Fixed Assets Account Group at cost or estimated historical cost as described above. Because of the advanced age of the buildings involved, the omission of these fixed assets and related depreciation is not deemed material to financial position or results of operations of the applicable Enterprise and Internal Service Funds.

Generally, College and University Fund fixed assets are stated at cost and are not depreciated. Because of the magnitude of library holdings, however, it has been the state's policy to value library books at a standard amount per volume, currently $20, which approximates cost.

A statement of changes in general fixed assets for the year ended June 30, 1984 is presented in Note 2.

J. Accumulated Unpaid Vacation and Sick Pay - The state's liability for accumulated unpaid annual and compensatory time is reported in the accompanying General Long-Term Obligations Account Group for all governmental fund types. In the proprietary fund types and the college and university funds, this obligation is reported as a current liability.

There is no liability in the accompanying financial statements for unpaid accumulated sick leave since it is the state's policy to record the cost of sick leave only when paid. See Note 5A for disclosure of the amount of this contingency.

K. Fund Balance Reserves and Designations - The state's fund balance reserves represent those portions of fund balance (1) not appropriable for expenditure or (2) legally segregated for a specific future use. In the accompanying Combined Balance Sheet, reserves for related assets such as inventories and petty cash are examples of the former. Reserves for encumbrances, contracts, continuing appropriations and other specific purposes (specific purpose reserves representing current and past legislative appropriations requiring June 30, 1984 segregation) are examples of the latter.

A summary of the nature and purpose of major reserves by fund type at June 30, 1984 follows (expressed in thousands).

Reserved For	General	Special Revenue	Capital Projects	Trust and Agency	College and University
Other Specific Purposes:					
Casualty Losses	$ 5,000				
Capital Outlay and Bond Cancellation	12,998		$ 44,422		$ 33,256
Highway Construction		$ 48,925			
Wildlife Resources Program		11,662			
Unemployment Benefits				$ 277,334	
Pension Benefits				3,375,591	
Restricted Gifts, Grants and Contracts					118,477
Group Insurance Benefits				12,940	
Student Loan Program				7,968	
Property Reappraisal Program				3,261	
Higher Education Chairs of Excellence	10,000				
Other Non-Lapsing and Special Revenue Programs	3,923	5,839			973
Totals	$31,921	$ 66,426	$ 44,422	$3,677,094	$ 152,706

The state's fund balance designations reflect tentative plans for future use of financial resources. The General Fund designation for revenue fluctuations has been established as protection in the event of future revenue shortfalls or expenditure overruns. The designation for claims against the state is for general contingencies. The designation for other specific purposes represents the following appropriations made by the Legislature to carry out tentative managerial plans for fiscal years 1985 and subsequent (expressed in thousands):

Transfer to Pension Fund	$ 50,000
Claims Awards	8,000
Campus Improvements	7,828
Property Acquisition and Construction	3,922
Other	2,937
	$ 72,687

L. Totals - Memorandum Only - The "Totals - Memorandum Only" column represents an aggregation of the individual combined financial statements. The totals column is presented for overview informational purposes and does not represent consolidated financial information.

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Individual Fund Deficits - Although the following four individual funds have deficit retained earnings/fund balances as indicated at June 30, 1984, none of them have negative fund equity positions at that date (expressed in thousands):

Enterprise Funds		Internal Service Funds	College and University Fund
Federal Property Utilization	State Employees Cafeteria	Building Management	Current Auxiliary Enterprise/Hospital
$ (78)	$ (139)	$ (1,639)	$ (2,916)

Increases in charges for products and services are expected to eliminate these deficits in 1985.

B. Budgetary Basis vs. GAAP - The accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and All Special Revenue Fund Types presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since the budgetary and GAAP presentations of actual data differ, a reconciliation of the two is presented below (expressed in thousands).

	General Fund	All Special Revenue Funds
Fund Balances (Budgetary Basis), June 30, 1984	$ 162,692	$ 43,472
Add (Deduct):		
Accrued revenues	9,552	32,215
Accrued expenditures	(6,863)	(47,662)
Reserve for encumbrances and contracts	7,278	179,170
Other fund balance reserves	283	64,348
Fund Balances (GAAP Basis), June 30, 1984	$ 172,942	$ 271,543

There were no expenditures in excess of appropriations in the state's individual governmental funds for the year.

C. Fund Equity Restatement - During fiscal year 1984 the state made several changes in reporting in order to reflect reorganizations as well as to conform with generally accepted accounting principles. Changes included (1) transfer of the operations of the Area Vocational-Technical Schools from the Department of Education (General Fund) to the State Board of Regents (College and University Funds), including the transfer of the schools' fixed assets from the General Fixed Assets Account Group; and (2) the restatement of fixed assets in the Building Management Division, an Internal Service Fund, and the General Fixed Asset Account Group to correct errors in historical costs discovered in the land and building inventory compilations previously referred to in Note 1 I. The Area School transfer described as change (1) generated an All Fund Types and Account Groups reduction in fund equity because of different bases of accounting followed by the two parties.

These changes have been reported in the accompanying financial statements by restating beginning fund equity as shown below (expressed in thousands). Corresponding restatement of 1983 amounts likewise has been effected to reflect the retroactive application of the adjustments.

	General Fund	Internal Service Funds	General Fixed Assets Account Group	College and University Funds	All Fund Types and Account Groups Totals (Memorandum Only)
Fund Equity as previously reported, June 30, 1983	$ 40,534	$ 39,715	$ 862,884	$ 1,360,894	$5,703,952
Reclassification of Area Vocational-Technical Schools	(1,638)		(34,699)	35,580	(757)
Restatement of fixed assets to correct errors in historical records		38	(9,129)		(9,091)
Fund Equity as restated, June 30, 1983	$ 38,896	$ 39,753	$ 819,056	$ 1,396,474	$5,694,104

The effect of these restatements was not material to revenues and expenditures.

D. General Fixed Assets - A statement of changes in general fixed assets for the year ended June 30, 1984 is shown below (expressed in thousands).

	Land	Structures and Improvements	Machinery and Equipment	Construction in Progress	Totals
Balance, July 1, 1983 as previously reported	$50,544	$ 648,451	$ 157,966	$ 5,923	$ 862,884
Adjustment to reflect changes as described in C above	2,623	(37,918)	(8,533)		(43,828)
Restated Balance, July 1, 1983	53,167	610,533	149,433	5,923	819,056
Additions	585	16,718	20,838	18,060	56,201
Deductions	(156)		(14,011)	(15,171)	(29,338)
Balance, June 30, 1984	$53,596	$ 627,251	$ 156,260	$ 8,812	$ 845,919

E. Segment Information - Segment financial information for the state's Enterprise Funds for the year ended June 30, 1984 is presented below (expressed in thousands). These enterprise funds provide the following types of goods or services (in the order shown below): housing loans, local government loans, sewage treatment loans, inactive, federal property distribution, and food service.

	Tenn. Housing Develop. Agency	Local Develop. Authority	State Loan Program	Housing Rehab. Corp.	Federal Property Utiliz.	State Employ. Cafeteria	Totals
Operating Revenues	$ 65,664	$ 6,831	$ 4,853	$ 47	$ 603	$ 681	$ 78,679
Depreciation and Amortization Expenses	406				27	7	440
Operating Income (Loss)	9,205	891	417	47	(54)	28	10,534
Operating Grants, Entitlements, and Shared Revenues	14,086						14,086
Net Income (Loss)	8,822	891	417	47	(54)	28	10,151
Property, Plant and Equipment:							
Additions	16				28	2	46
Deletions	2				27	3	32
Net Working Capital	69,060	(56,510)	6,303	444	184	53	19,534
Total Assets	741,620	84,629	80,166	448	390	130	907,383
Bonds and Other Long-Term Liabilities Payable from Operating Revenues	640,272		71,540				711,812
Total Equity	52,521	2,305	4,209	445	298	78	59,856

F. Interfund Accounts - A summary of interfund receivables and payables at June 30, 1984 is shown below (expressed in thousands).

	RECEIVABLES								
			Internal Service Funds	Trust and Agency Funds				Col. and Univ.	
Payables	Gen. Fund	Hwy. Spec. Rev. Fund	Motor Vehicle Management	Empl. Sec.	Employ. Grp. Ins.	Pension Trust	Cont. Revenue	Current Funds	Totals
General			$ 115	$ 98		$ 1,795	$ 2,100		$ 4,108
Special Revenue:									
Highway						322	384		706
Wildlife Resources Agency			2			37	35		74
Other						1	3		4
Capital Projects								$ 2,310	2,310
Enterprise:									
Housing Development Agency						5	7		12
Other						3	3		6
Internal Service:									
Information System Services						20	24		44
Motor Vehicle Management						2	3		5
General Services Printing						4	4		8
Building Management						1	2		3
Other						1	2		3
Trust and Agency:									
Local Government Investment		$ 401						1,427	1,828
Student Assistance Corporation						1	2		3
College and University Current	$916		21		$ 2,528	965	2,652		7,082
Totals	$916	$ 401	$ 138	$ 98	$ 2,528	$ 3,157	$ 5,221	$ 3,737	$16,196

NOTE 3 - NOTES, BONDS AND LEASE OBLIGATIONS PAYABLE

Notes and bonds payable at June 30, 1984 are shown below.

	Amount (in Thousands) Notes	Bonds
Capital Projects Fund:		
General obligation bond anticipation notes, renewable to January 1985, at rates ranging from 4.25% to 6.75%;	$ 88,520	
Enterprise Funds:		
General obligation bonds, 4.875% to 7.5%, due in generally decreasing amounts of principal and interest ranging from a maximum of $6.8 million in 1989 to $1.4 million in 2010		$ 73,930
Tennessee Local Development Authority revenue bond anticipation notes, 6.2%, due August 1984	78,280	
Mortgage finance program revenue bonds, various Series, 4.35% to 14%, due in generally decreasing amounts of principal and interest ranging from a maximum of $70.9 million in 1987 to $1.0 million in 2018		655,557
	78,280	729,487
Internal Service Funds:		
Tennessee State School Bond Authority 1977 refunding revenue bonds, 4.6% to 6.6%, crossover date of May 1986, principal and interest due thereafter in generally decreasing amounts ranging from a maximum of $4.4 million in 1987 to $1.2 million in 2011		52,274
General Long-Term Debt:		
General obligation bonds, .1% to 8.4%, due in decreasing amounts of principal and interest from $79 million in 1985 to $5.4 million in 2002		530,820
College and University Funds:		
Endowment Fund notes, due within one year	16	
Capital outlay notes, to 7%, principally due by 1985	2,067	
Tennessee State School Bond Authority revenue bonds, various Series, 4.1% to 9.625%, due in decreasing amounts of principal and interest from $20.2 million in 1986 to $6.5 million in 2012		222,629
Non-Authority revenue bonds, 2.25% to 5%, due in generally decreasing amounts of principal and interest from $2.1 million in 2002 to $51 thousand in 2009		16,080
	2,083	238,709
Total Notes and Bonds Payable	$ 168,883	$ 1,551,290

The full faith and credit of the state, together with certain tax revenues, are pledged to secure all general obligation notes and bonds listed above. Although the Enterprise Fund general obligation debt is being retired from resources of that fund (State Loan Program Fund), the state remains contingently liable for its payment. The revenue notes and bonds listed above are not obligations of the state. They are secured by pledge of resources from the facilities to which they relate and by certain other revenues, fees and assets of the Tennessee Local Development Authority (TLDA), the Tennessee Housing Development Agency (THDA), the Tennessee State School Bond Authority (TSSBA) and the various colleges and universities.

As indicated above, substantially all notes payable at June 30, 1984 are due within one year. Debt service requirements to maturity for all general obligation and revenue bonds payable at June 30, 1984 are as follows (expressed in thousands):

For the Year(s) Ended June 30	General Obligation Bonds Principal	General Obligation Bonds Interest	Revenue Bonds Principal	Revenue Bonds Interest	Total Requirements
1985	$ 52,515	$ 33,186	$ 20,558	$ 70,964	$ 177,223
1986	52,640	30,522	74,712*	68,590	226,464*
1987	52,780	27,858	25,665	66,500	172,803
1988	51,370	25,149	26,317	64,898	167,734
1989	48,790	22,496	27,252	63,183	161,721
1990-2018	346,655	117,119	772,036	912,725	2,148,535
	$ 604,750	$ 256,330	$ 946,540	$1,246,860	$ 3,054,480

*Includes $51,115 representing outstanding TSSBA bonds to be refunded, described below.

A summary of changes in general long-term obligations for the year ended June 30, 1984 follows (expressed in thousands).

	Balance, July 1, 1983	General Obligation Bonds Retired	Other Changes in General Long-Term Obligations	Balance, June 30, 1984
Amount available in Debt Service Fund	$ 2,143		$ 4,431	$ 6,574
Amount to be Provided for Retirement of Long-Term Debt	581,302	$ (52,625)	(4,431)	524,246
General Obligation Debt Payable	583,445	(52,625)		530,820
Accrued Annual and Compensatory Leave	49,469		2,397	51,866
Total General Long-Term Obligations	$ 632,914	$ (52,625)	$ 2,397	$ 582,686

Bond sales during the year ended June 30, 1984 included the following issues:

August 1983 - THDA revenue bonds of $64.129 million were sold.
November 1983 - THDA revenue bonds of $74.351 million were sold.

In July 1983, THDA called $109 million of the August 1982 revenue bond issue of $150 million. In connection with this early retirement, an extraordinary charge of $2.1 million was incurred representing the write-off of applicable unamortized discount on the issue. In September 1983, TLDA revenue bond anticipation notes of $78.28 million were issued, which proceeds (together with additional available funds) were used to retire notes then due; and in December 1983, general obligation bond anticipation notes of $88.52 million were renewed with a final maturity of January 1985.

Subsequent to June 30, 1984 the following bond activity has taken place:

July 1984 - THDA revenue bonds of $87.4 million were sold.
November 1984 - THDA revenue bonds of $101.05 million were sold.

In August 1984, TLDA revenue bond anticipation notes of $68.85 million were issued, and the September 1983 issue of $78.28 million was retired.

In 1977 the TSSBA entered into a crossover advance refunding transaction whereby revenue bonds of $52.985 million were issued to facilitate retirement of 1976 TSSBA bonds of $51.115 million in crossover year 1986. Proceeds from the refunding issue were placed in trust with the State Treasurer and invested in qualifying securities which, together with interest earned thereon, will provide amounts sufficient for future payment of all interest, principal and call premiums on the 1976 refunded bonds. In the accompanying financial statements the refunding bonds and related investments are reported in the TSSBA Internal Service Fund; the bonds to be refunded are included in the College and University Funds debt.

A summary of general obligation bonds authorized and unissued at June 30, 1984 is shown below (expressed in thousands). It is anticipated that a substantial amount of these bonds will not be issued but will be cancelled because of sufficient fund balances.

Purpose	Unissued July 1, 1983	Authorized	Sold	Cancelled	Unissued June 30, 1984
Sewage Treatment	$ 20,680				$ 20,680
Waterworks	31,520				31,520
Highway	102,640	$ 28,000		$ 15,120	115,520
Education	12,553	22,656			35,209
Correction	20,717	1,455		2,300	19,872
Health and Environment		5,775			5,775
General Government	370	26,227			26,597
Other	1,835	8,287		675	9,447
Totals	$ 190,315	$ 92,400	$ -	$ 18,095	$ 264,620

Lease obligations for facilities and equipment are payable from resources of the College and University Funds. Debt service requirements to maturity for all lease obligations payable at June 30, 1984 are as follows (expressed in thousands):

For the Year(s) Ended June 30	Lease Obligations Payable
1985	$ 3,854
1986	3,603
1987	3,459
1988	3,217
1989	2,786
1990-1996	6,026
Total	22,945
Less - Interest (4.2% to 22.96%) and executory costs	(6,103)
	$ 16,842

NOTE 4 - PENSION PLANS

A. Tennessee Consolidated Retirement System - The Tennessee Consolidated Retirement System (TCRS) is a defined benefit retirement plan covering general employees and teachers of the state as well as employees of political subdivisions who have elected coverage. Benefits are determined by a formula using the high five-year average salary and years of service of each employee. Contributions to the system are determined on an actuarial reserve basis and provide funding for both normal and accrued liability costs. The frozen initial liability method, a projected benefit cost method, is used to value the plan. Effective July 1981, pursuant to non-contributory legislation, contributions of up to 5% of the earnable compensation of most classes of general employees, formerly paid by those employees, were assumed by the state. This legislation similarly affected electing political subdivisions and their employees.

It is the policy of the state to fund pension costs accrued. For the year ended June 30, 1984 the state contributed $242.5 million to the plan and state employees and teachers contributed $43.8 million. These contributions included funding for a cost-of-living provision and amortization of the accrued liability on an actuarial basis over a 40-year period which began in 1975.

An experience study of the system is conducted every four years, the most recent having been completed as of June 30, 1980. A new set of assumptions resulted from this study, the most significant being a 7% interest rate (formerly 6%), a 6% annual salary growth (formerly 4 1/2%), greater post-retirement survivorship and increased employee turnover. The study as of June 30, 1984 is currently in progress.

An actuarial valuation is made every two years, the most recent having been completed as of June 30, 1983. For actuarial purposes, investments were valued using a five-year moving market average for equity securities and amortized cost for debt securities. At June 30, 1983 the actuarially computed present value of vested benefits exceeded the net assets of the pension fund by $477 million. This calculation includes the liability associated with a closed group of University of Tennessee faculty who participates in the Teachers Insurance and Annuity Association retirement plan (TIAA-CREF), described in B. below. The unamortized accrued liability of the retirement system, based on the present value of benefits for past and future service, was estimated to be $1.9 billion at June 30, 1983.

B. Other than TCRS - Eligible faculty of the various state universities and community colleges may elect to become members of either TIAA-CREF, a privately-administered defined contribution retirement plan, or the TCRS. The state assumes no liability for this group of TIAA-CREF members other than payment of contributions. During the year ended June 30, 1984 the state contributed $14.4 million to the TIAA-CREF plan.

A second, now-closed group of University of Tennessee faculty also participates in TIAA-CREF with certain supplemental benefits guaranteed by the state. Prior to fiscal year 1978 these guaranteed benefits were funded by the university on a pay-as-you-go basis; they since have been assumed by the TCRS and are included in the actuarial calculations disclosed in A. above.

C. Deferred Compensation - In 1981 a deferred compensation plan was initiated for state employees. This program was expanded during fiscal year 1984 with the implementation of a second plan. All costs of administering and funding the programs are the responsibility of plan participants. The state makes no contributions. At June 30, 1984 some $15.9 million, including accumulated interest earnings, had been contributed by participating state employees to those financial institutions administering the plan's various investment options. All amounts of employee compensation deferred under the plans and all income attributable to such amounts are, until made available to the employee or other beneficiary, solely the property of the state, subject only to claims of the state's general creditors. The state believes it is unlikely, however, that it will use these assets to satisfy such claims in the future. Accordingly, they have not been presented in the accompanying financial statements.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

A. Sick Leave - It is the state's policy to record the cost of sick leave when paid. Generally, since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee is absent due to illness, injury or related family death, there was no liability for sick leave at June 30, 1984. The estimated accumulated amount of unused sick leave at that date was $239 million.

B. Leases - The state has entered into various operating leases for land, buildings and equipment. All leases contain termination clauses providing for cancellation after 30, 60 or 90 days' written notice to lessors. In addition, all leases contain appropriation clauses indicating that continuation of the lease is subject to funding by the legislature. It is expected that in the normal course of business most of these leases will be replaced by similar leases. Expenditures for rent under leases for the years ended June 30, 1984 and 1983 amounted to $18.5 million and $18.7 million, respectively.

C. Highway Construction Projects - At June 30, 1984 the Department of Transportation had contractual commitments of approximately $212 million for construction of various highway projects. Funding of these future expenditures is expected to be provided from federal grants ($206 million) and general obligation bond proceeds ($6 million).

D. Litigation - The most significant recent litigation against the state, a case involving inadequate prison facilities, has been concluded. Relief granted by the court enables the state to remedy these conditions at a cost of approximately $5 million over an extended period of time. The flexibility allowed by the court will permit the state to carry out the remedial plan without material adverse impact on the state's financial position. The state is also party to numerous other legal proceedings, many of which normally recur in governmental operations. In the opinions of the Attorney General and General Counsel for the University of Tennessee system, final settlement of these matters will have no material effect on the accompanying financial statements.

E. Federal Grants - The state has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

F. Loan Guarantees - The Tennessee Student Assistance Corporation (TSAC), a Nonexpendable Trust Fund entity, guarantees loans made to students. The U. S. Department of Education (USDE) reinsures the student loans up to 100% of their principal amounts. At June 30, 1984 TSAC was guarantor of $321 million in student loans, substantially all of which were reinsured by the USDE. The state has no obligation under these student loan guarantees in the event of default.

G. Other - The state has custodial responsibility over some $70 million of U.S. Department of Agriculture food stamp coupons for which the state is liable in the event of loss. Also, it has been the state's policy to fund as paid those claims against the state arising from employee negligence or employee injury/death while performing official duties. At June 30, 1984, however, an $8 million claims award fund balance designation was established representing the state's initial effort toward the eventual actuarial funding of expected claims losses.

Combining and Individual Fund Financial Statements

General Fund

The General Fund is maintained to account for all governmental financial resources and transactions not accounted for in another fund.

Budgetary Procedures and Control

In many respects Tennessee is similar to other states regarding the process leading to adoption of the annual budget. Utilizing zero-based budgeting concepts, the executive branch prepares a budget which is the result of a series of intradepartmental budget meetings and executive budget hearings. The executive budget is based on estimates of all available revenue sources.

The executive budget is presented to the legislature at the beginning of each annual session. The legislature conducts budget hearings through its Finance, Ways and Means committees. Each committee recommends a version of the Appropriation Act to its respective body for passage. Included in the Appropriation Act is the funding level for each department. After passage by each chamber, differences between the two versions, if any, are resolved in conference committee. The final version is passed by both houses and sent to the Governor for approval. Before signing the Appropriation Act, the Governor may veto or reduce any specific appropriation item. These adjustments are subject to being overridden by the legislature.

Once the final budget is passed and signed, it becomes the financial plan for the coming year's activities. A quarterly work program detailing anticipated revenues by source and expenditures by object is then developed for each organizational entity. The work program is entered into the state's centralized accounting system. The budgetary-accounting integration and the resulting periodic reports facilitate both management control and legislative overview of the state's financial operations. Any deviation from the funding levels as specified in the Appropriation Act must receive prior approval from both the appropriate executive decision-makers and the Finance, Ways and Means committees. Thus, there is a continuing interaction between the executive and legislative branches on budgetary matters.

Constitutional Spending Limitation

Tennessee was the first state to adopt a constitutional spending limitation. This was not a response to any spending or taxing excesses but was a public endorsement of the state's long standing record of sound fiscal management.

The March 1978 amendment to the Constitution limited the growth in spending by state government to the rate of growth exhibited by the state's economy. The legislature was directed to establish some measure of economic growth from which the permitted growth in spending could be calculated. Estimated growth in personal income was the measure so established.

The 1984-85 budget is the state's sixth budget to be prepared and enacted since passage of the spending limitation. The total budget is well within the statutory limit enacted to carry out the constitutional mandate. Although the effect of the constitutional spending limitation cannot be evaluated until it has been operative for a period of years, it is apparent that the long-term impact of the amendment on the continued operations and growth of state government could be substantial.

STATE OF TENNESSEE
BALANCE SHEET
GENERAL FUND
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	JUNE 30, 1984	JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$215,306	$112,969
RECEIVABLES:		
DUE FROM OTHER GOVERNMENTS	141,817	72,421
INTEREST	17,268	12,199
OTHER	4,615	173
INTERFUND RECEIVABLES	916	
TOTAL ASSETS	$379,922	$197,762
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 49,241	$ 35,230
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	136,979	98,918
ACCRUED PAYROLL AND RELATED DEDUCTIONS	15,381	15,231
INTERFUND PAYABLES (Note 2)	4,108	9,193
OTHER	1,271	294
TOTAL LIABILITIES	206,980	158,866
FUND BALANCE (Notes 1 and 2):		
RESERVED FOR ENCUMBRANCES AND CONTRACTS	7,278	5,911
RESERVED FOR CONTINUING APPROPRIATIONS	7,497	8,860
RESERVED FOR OTHER SPECIFIC PURPOSES	31,921	7,579
UNRESERVED:		
DESIGNATED FOR REVENUE FLUCTUATIONS	50,000	10,000
DESIGNATED FOR CLAIMS AGAINST THE STATE	3,000	3,000
DESIGNATED FOR OTHER SPECIFIC PURPOSES	72,687	3,122
UNDESIGNATED	559	424
TOTAL FUND BALANCE	172,942	38,896
TOTAL LIABILITIES AND FUND BALANCE	$379,922	$197,762

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1984	JUNE 30, 1983
REVENUES:		
TAXES	$1,951,641	$1,712,382
LICENSES, FEES AND PERMITS	40,052	29,516
INTEREST ON INVESTMENTS	56,567	62,981
FEDERAL	1,036,137	860,870
DEPARTMENTAL SERVICES	203,836	190,597
OTHER	4,292	4,186
TOTAL REVENUES	3,292,525	2,860,532
EXPENDITURES:		
GENERAL GOVERNMENT	129,101	129,279
EDUCATION	980,178	969,624
HEALTH AND SOCIAL SERVICES	1,295,016	1,108,906
LAW, JUSTICE AND PUBLIC SAFETY	212,812	193,347
RECREATION AND RESOURCES DEVELOPMENT	98,444	64,691
REGULATION OF BUSINESS AND PROFESSIONS	13,566	12,928
TOTAL EXPENDITURES	2,729,117	2,478,775
EXCESS OF REVENUES OVER EXPENDITURES	563,408	381,757
OTHER FINANCING USES:		
OPERATING TRANSFERS TO:		
SPECIAL REVENUE FUNDS	(8,400)	(2,646)
DEBT SERVICE FUND	(6,519)	(861)
CAPITAL PROJECTS FUND	(12,588)	(8,428)
ENTERPRISE FUNDS		(235)
INTERNAL SERVICE FUNDS	(31)	(23)
NONEXPENDABLE TRUST FUND	(6,079)	(6,179)
COLLEGE AND UNIVERSITY FUNDS	(395,754)	(381,165)
TOTAL OTHER FINANCING USES	(429,371)	(399,537)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	134,037	(17,780)
FUND BALANCE, JULY 1 (Note 2)	38,896	53,570
EQUITY TRANSFERS FROM:		
SPECIAL REVENUE FUNDS		2,206
ENTERPRISE FUNDS		900
INTERNAL SERVICE FUNDS	9	
FUND BALANCE, JUNE 30 (Note 2)	$ 172,942	$ 38,896

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF REVENUES BY SOURCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

REVENUES BY SOURCE	FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
TAXES:		
SALES AND USE	$1,262,621	$1,093,169
GASOLINE	2,864	2,469
MOTOR VEHICLE REGISTRATION	5,569	5,181
INCOME	37,288	35,521
PRIVILEGE	37,855	29,072
GROSS RECEIPTS	110,740	105,787
BEER	9,215	8,697
ALCOHOLIC BEVERAGE	24,518	24,106
MIXED DRINK	9,757	9,222
FRANCHISE	53,483	40,741
EXCISE	190,492	158,458
INHERITANCE AND ESTATE	36,426	36,208
TOBACCO	76,874	78,338
COIN-OPERATED AMUSEMENT	4,029	
BUSINESS	7,783	7,474
INSURANCE COMPANIES PREMIUM	71,592	67,345
RETALIATORY	2,981	2,768
OTHER	7,554	7,826
	1,951,641	1,712,382
LICENSES, FEES AND PERMITS:		
MOTOR VEHICLE TITLE REGISTRATION FEES	3,599	3,433
DRIVERS LICENSES	19,358	10,368
ARRESTS, FINES AND FEES	2,851	2,339
REGULATORY BOARD FEES	5,345	5,347
OTHER	8,899	8,029
	40,052	29,516
INTEREST ON INVESTMENTS	56,567	62,981
FEDERAL:		
EARNED BY STATE DEPARTMENTS	1,036,137	859,951
REVENUE SHARING		919
	1,036,137	860,870
DEPARTMENTAL SERVICES:		
CHARGES TO THE PUBLIC	69,455	63,075
INTERDEPARTMENTAL CHARGES	113,855	107,933
CHARGES TO CITIES, COUNTIES, ETC.	20,526	19,589
	203,836	190,597
OTHER	4,292	4,186
TOTAL REVENUES BY SOURCE	$3,292,525	$2,860,532

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF EXPENDITURES BY FUNCTION AND DEPARTMENT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

EXPENDITURES BY FUNCTION AND DEPARTMENT	FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
GENERAL GOVERNMENT		
LEGISLATIVE	$ 8,076	$ 7,233
SECRETARY OF STATE	8,508	7,563
COMPTROLLER	17,993	17,383
TREASURER	8,427	7,580
GOVERNOR	2,371	6,813
COMMISSIONS	25,411	24,089
FINANCE AND ADMINISTRATION	3,856	3,661
PERSONNEL	3,327	3,212
GENERAL SERVICES	13,434	12,920
REVENUE	25,866	27,128
OTHER	11,832	11,697
	129,101	129,279
EDUCATION	980,178	969,624
HEALTH AND SOCIAL SERVICES		
VETERANS AFFAIRS	899	851
EMPLOYMENT SECURITY	42,890	60,550
LABOR	36,380	3,715
MENTAL HEALTH AND MENTAL RETARDATION	172,781	169,803
HEALTH AND ENVIRONMENT	733,298	573,900
HUMAN SERVICES	308,768	300,087
	1,295,016	1,108,906
LAW, JUSTICE AND PUBLIC SAFETY		
JUDICIAL	34,593	33,635
CORRECTION	126,048	115,864
MILITARY	12,250	11,184
BUREAU OF CRIMINAL INVESTIGATION	5,718	5,455
SAFETY	34,203	27,209
	212,812	193,347
RECREATION AND RESOURCES DEVELOPMENT		
AGRICULTURE	9,962	8,498
TOURIST DEVELOPMENT	5,381	3,476
CONSERVATION	42,441	37,225
ECONOMIC AND COMMUNITY DEVELOPMENT	40,660	15,492
	98,444	64,691
REGULATION OF BUSINESS AND PROFESSIONS		
COMMERCE AND INSURANCE	10,765	10,410
FINANCIAL INSTITUTIONS	2,801	2,518
	13,566	12,928
TOTAL EXPENDITURES BY FUNCTION AND DEPARTMENT	$2,729,117	$2,478,775

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF EXPENDITURES BY OBJECT
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

EXPENDITURES BY OBJECT	FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
PERSONAL SERVICES	$ 439,096	$ 445,012
EMPLOYEE BENEFITS	101,237	93,256
TRAVEL	22,927	19,524
PRINTING, DUPLICATING AND FILM PROCESSING	8,922	7,956
UTILITIES AND FUEL	26,266	24,282
COMMUNICATION AND SHIPPING COSTS	21,778	19,930
MAINTENANCE, REPAIRS AND SERVICES	10,652	7,458
PROFESSIONAL AND ADMINISTRATIVE SERVICES	122,298	94,776
SUPPLIES	96,885	71,780
RENTALS AND INSURANCE	12,081	11,337
MOTOR VEHICLE OPERATION	4,621	4,371
AWARDS AND INDEMNITIES	6,298	5,289
GRANTS AND SUBSIDIES	1,836,128	1,660,221
ITEMS FOR RESALE, REISSUE OR MANUFACTURE	8,849	8,036
EQUIPMENT	9,028	3,756
LAND	344	251
BUILDINGS	1,265	1,540
IMPROVEMENTS OTHER THAN BUILDINGS	442	
TOTAL EXPENDITURES BY OBJECT	$ 2,729,117	$ 2,478,775

See accompanying Notes to the Financial Statements.

Special Revenue Funds

Specific revenues, earmarked to finance particular activities of government, are accounted for in the Special Revenue Funds. A brief description of each fund follows.

Highway Fund - This fund is maintained to account for revenues and expenditures associated with programs of the Department of Transportation. Funding of these programs is accomplished primarily from dedicated highway user taxes and funds received from the various federal transportation agencies. All federal funds accruing to the Highway Fund are received on a reimbursement basis covering costs incurred. It is the state's practice to appropriate matching dollars for jointly funded projects in the year of federal apportionment. This front-end state funding, together with multi-year disbursements on most projects, results in large cash balances in this fund. The State Treasurer invests these moneys, income from which is deposited in the General Fund.

Wildlife Resources Agency - This agency is responsible for the preservation, management, enhancement and protection of the state's wildlife resources and their environs. An additional responsibility is the enforcement of boating safety on state lakes and streams. Revenues are derived principally from hunting and fishing licenses, fees and permits.

Public Service Commission - The commission is responsible for executing and enforcing all statutes governing railroads, utilities and motor carriers. They also assess these groups for ad valorem taxes. Revenues are derived principally from filing and inspection fees.

Other Special Revenue Funds - There are four agencies included in this group, as follows:

1. Criminal Injuries Compensation - The Board of Claims administers this fund for the award of compensation, not to exceed $10,000, to victims (or their dependents) who suffer personal injury or death as a result of a criminal act. The primary revenue source is the privilege tax levied by the courts at the time of conviction of the offender;

2. Abandoned Land Program - This program is administered by the Department of Health and Environment. Revenues collected from surface mining permit fees and forfeited performance bonds are used to reclaim and restore lands affected by abandoned mining operations;

3. Driver Education - This program is designed and coordinated by the Departments of Education and Safety. Highway safety is promoted by providing driver education, instruction and training in schools, colleges and community organizations. The $2 fee for moving traffic violations is the source of funding for this program.

4. Hazardous Waste - This program is administered by the Department of Health and Environment. Revenues collected from applicants and holders of storage, treatment or disposal permits of hazardous waste are used to supervise the construction, operation, maintenance, closure and, where necessary, the post-closure care of hazardous waste facilities.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	HIGHWAY	WILDLIFE RESOURCES AGENCY	PUBLIC SERVICE COMMISSION	OTHER	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$ 276,849	$ 12,671	$ 1,204	$5,285	$296,009	$265,597
RECEIVABLES	55,543	547	100		56,190	58,712
INTERFUND RECEIVABLES (Note 2)	401				401	10,990
INVENTORIES, at cost	8,424				8,424	7,357
TOTAL ASSETS	$ 341,217	$ 13,218	$ 1,304	$5,285	$361,024	$342,656
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
WARRANTS PAYABLE	$ 19,222	$ 186	$ 29	$ 58	$ 19,495	$ 14,022
ACCOUNTS PAYABLE AND ACCRUALS	58,140	706	70	528	59,444	46,452
INTERFUND PAYABLES (Note 2)	706	74		4	784	746
OTHER	9,757		1		9,758	14,708
TOTAL LIABILITIES	87,825	966	100	590	89,481	75,928
FUND BALANCES (Notes 1 and 2):						
RESERVED FOR INVENTORIES	8,424				8,424	7,357
RESERVED FOR ENCUMBRANCES AND CONTRACTS	178,520	590	49	11	179,170	180,701
RESERVED FOR OTHER SPECIFIC PURPOSES	48,925	11,662	1,155	4,684	66,426	69,055
UNRESERVED	17,523				17,523	9,615
TOTAL FUND BALANCES	253,392	12,252	1,204	4,695	271,543	266,728
TOTAL LIABILITIES AND FUND BALANCES	$ 341,217	$ 13,218	$ 1,304	$5,285	$361,024	$342,656

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	HIGHWAY	WILDLIFE RESOURCES AGENCY	PUBLIC SERVICE COMMISSION	OTHER	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
REVENUES:						
TAXES	$ 243,932	$ 291			$244,223	$232,804
LICENSES, FEES AND PERMITS	398	12,108	$ 3,828	$3,934	20,268	18,085
FEDERAL	266,203	3,209	230	130	269,772	197,437
DEPARTMENTAL SERVICES	8,730	1,258	710	960	11,658	10,325
OTHER	5,076				5,076	5,962
TOTAL REVENUES	524,339	16,866	4,768	5,024	550,997	464,613
EXPENDITURES:						
GENERAL GOVERNMENT			4,567	1,330	5,897	5,688
EDUCATION				902	902	738
HEALTH AND SOCIAL SERVICES				726	726	333
LAW, JUSTICE AND PUBLIC SAFETY				113	113	118
RECREATION AND RESOURCES DEVELOPMENT		13,841			13,841	13,151
TRANSPORTATION	544,367				544,367	427,695
TOTAL EXPENDITURES	544,367	13,841	4,567	3,071	565,846	447,723
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,028)	3,025	201	1,953	(14,849)	16,890
OTHER FINANCING SOURCES (USES):						
OPERATING TRANSFER FROM GENERAL FUND	7,317	83		1,000	8,400	2,646
OPERATING TRANSFER FROM DEBT SERVICE FUND	11,320				11,320	11,860
OPERATING TRANSFER TO PENSION TRUST FUND			(56)		(56)	(56)
TOTAL OTHER FINANCING SOURCES (USES)	18,637	83	(56)	1,000	19,664	14,450
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,391)	3,108	145	2,953	4,815	31,340
FUND BALANCES, JULY 1 (Note 2)	254,783	9,144	1,059	1,742	266,728	237,594
EQUITY TRANSFERS TO GENERAL FUND						(2,206)
FUND BALANCES, JUNE 30 (Note 2)	$ 253,392	$ 12,252	$ 1,204	$4,695	$271,543	$266,728

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	CRIMINAL INJURIES COMPENSATION	ABANDONED LAND PROGRAM	DRIVER EDUCATION	HAZARDOUS WASTE	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$ 345	$ 2,468	$ 606	$ 1,866	$ 5,285	$ 1,824
RECEIVABLES						114
TOTAL ASSETS	$ 345	$ 2,468	$ 606	$ 1,866	$ 5,285	$ 1,938
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
WARRANTS PAYABLE	$ 46		$ 8	$ 4	$ 58	$ 179
ACCOUNTS PAYABLE AND ACCRUALS	142	$ 11	16	359	528	15
INTERFUND PAYABLES (Note 2)		1		3	4	2
TOTAL LIABILITIES	188	12	24	366	590	196
FUND BALANCES (Note 1):						
RESERVED FOR ENCUMBRANCES AND CONTRACTS			9	2	11	
RESERVED FOR OTHER SPECIFIC PURPOSES	157	2,456	573	1,498	4,684	1,742
TOTAL FUND BALANCES	157	2,456	582	1,500	4,695	1,742
TOTAL LIABILITIES AND FUND BALANCES	$ 345	$ 2,468	$ 606	$ 1,866	$ 5,285	$ 1,938

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	CRIMINAL INJURIES COMPENSATION	ABANDONED LAND PROGRAM	DRIVER EDUCATION	HAZARDOUS WASTE	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
REVENUES:						
LICENSES, FEES AND PERMITS	$ 1,368	$ 1,283	$ 1,283		$ 3,934	$ 2,690
FEDERAL				$ 130	130	
DEPARTMENTAL SERVICES			1	959	960	
TOTAL REVENUES	1,368	1,283	1,284	1,089	5,024	2,690
EXPENDITURES:						
GENERAL GOVERNMENT	1,330				1,330	1,403
EDUCATION			902		902	738
HEALTH AND SOCIAL SERVICES		137		589	726	333
LAW, JUSTICE AND PUBLIC SAFETY			113		113	118
TOTAL EXPENDITURES	1,330	137	1,015	589	3,071	2,592
EXCESS OF REVENUES OVER EXPENDITURES	38	1,146	269	500	1,953	98
OTHER FINANCING SOURCES:						
OPERATING TRANSFER FROM GENERAL FUND				1,000	1,000	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	38	1,146	269	1,500	2,953	98
FUND BALANCES, JULY 1	119	1,310	313		1,742	1,644
FUND BALANCES, JUNE 30 (Note 2)	$ 157	$ 2,456	$ 582	$ 1,500	$ 4,695	$ 1,742

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
BALANCE SHEET
HIGHWAY FUND
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	JUNE 30, 1984	JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$276,849	$253,030
ACCOUNTS RECEIVABLE	4	
DUE FROM OTHER GOVERNMENTS	55,539	57,970
INTERFUND RECEIVABLES (Note 2)	401	10,990
INVENTORIES, at cost	8,424	7,357
TOTAL ASSETS	$341,217	$329,347
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 19,222	$ 13,315
ACCOUNTS PAYABLE AND ACCRUALS:		
ACCOUNTS PAYABLE	53,229	39,922
CONTRACT RETAINAGE	2,129	3,290
ACCRUED PAYROLL AND RELATED DEDUCTIONS	2,782	2,658
INTERFUND PAYABLES (Note 2)	706	672
DEFERRED REVENUE	5,150	13,238
OTHER	4,807	1,469
TOTAL LIABILITIES	87,825	74,564
FUND BALANCE (Note 1):		
RESERVED FOR INVENTORIES	8,424	7,357
RESERVED FOR ENCUMBRANCES AND CONTRACTS	178,520	180,636
RESERVED FOR OTHER SPECIFIC PURPOSES:		
INTERSTATE HIGHWAYS	7,056	1,369
PRIMARY SYSTEM	5,499	4,794
URBAN HIGHWAYS	843	1,116
SECONDARY ROADS	3,762	4,857
APPALACHIA HIGHWAYS AND ACCESS ROUTES	9,610	10,440
RURAL ROADS	4,608	7,260
METROPOLITAN URBAN SYSTEMS	1,423	1,966
BRIDGE REPLACEMENT		15,522
HIGHWAY SAFETY CONSTRUCTION	6,482	5,727
OTHERS	9,642	3,624
UNRESERVED	17,523	9,615
TOTAL FUND BALANCE	253,392	254,783
TOTAL LIABILITIES AND FUND BALANCE	$341,217	$329,347

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1984	JUNE 30, 1983
REVENUES:		
TAXES	$243,932	$232,517
LICENSES	398	105
FEDERAL	266,203	194,042
DEPARTMENTAL SERVICES	8,730	8,775
OTHER	5,076	5,962
TOTAL REVENUES	524,339	441,401
EXPENDITURES:		
INTERSTATE HIGHWAY CONSTRUCTION	140,640	80,575
PRIMARY SYSTEM CONSTRUCTION	59,472	34,440
APPALACHIA CONSTRUCTION	20,917	26,212
STATE SYSTEM CONSTRUCTION	52,566	53,578
OTHER CONSTRUCTION	142,918	100,866
MAINTENANCE AND MARKING	81,132	91,084
ADMINISTRATIVE AND OTHER	46,722	40,940
TOTAL EXPENDITURES	544,367	427,695
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,028)	13,706
OTHER FINANCING SOURCES:		
OPERATING TRANSFER FROM GENERAL FUND	7,317	2,600
OPERATING TRANSFER FROM DEBT SERVICE FUND	11,320	11,860
TOTAL OTHER FINANCING SOURCES	18,637	14,460
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(1,391)	28,166
FUND BALANCE, JULY 1	254,783	226,617
FUND BALANCE, JUNE 30 (Note 2)	$253,392	$254,783

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF REVENUES BY SOURCE
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

REVENUES BY SOURCE	FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
TAXES:		
GASOLINE	$ 82,815	$ 83,342
MOTOR FUEL	35,499	31,869
GASOLINE INSPECTION	19,295	17,880
MOTOR VEHICLE REGISTRATION	106,323	99,426
	243,932	232,517
OUTDOOR ADVERTISING LICENSES	398	105
FEDERAL	266,203	194,042
DEPARTMENTAL SERVICES:		
CITIES AND COUNTIES	4,870	4,576
STATE AGENCIES	3,860	4,199
OTHER - SALE OF EQUIPMENT, PLANS, ETC.	5,076	5,962
TOTAL REVENUES BY SOURCE	$524,339	$441,401

STATE OF TENNESSEE
STATEMENT OF EXPENDITURES BY OBJECT
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

EXPENDITURES BY OBJECT	FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
PERSONAL SERVICES	$ 72,115	$ 72,896
EMPLOYEE BENEFITS	16,002	17,943
TRAVEL	665	552
PRINTING, DUPLICATING AND FILM PROCESSING	551	479
UTILITIES AND FUEL	1,285	1,287
COMMUNICATION AND SHIPPING COSTS	1,145	1,123
MAINTENANCE, REPAIRS AND SERVICES	566	370
PROFESSIONAL AND ADMINISTRATIVE SERVICES	14,549	11,140
SUPPLIES	11,034	8,817
RENTALS AND INSURANCE	112	372
MOTOR VEHICLE OPERATION	2,536	2,190
AWARDS AND INDEMNITIES	1,783	825
GRANTS AND SUBSIDIES	11,131	8,193
ITEMS FOR RESALE, REISSUE OR MANUFACTURE	10,241	11,307
EQUIPMENT	4,166	4,445
LAND	32,502	27,804
BUILDINGS	369	185
HIGHWAY CONSTRUCTION	363,615	257,767
TOTAL EXPENDITURES BY OBJECT	$544,367	$427,695

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	HIGHWAY FUND			WILDLIFE RESOURCES AGENCY		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:						
FUND BALANCES (BUDGETARY BASIS), JULY 1	$ 16,997	$ 16,997		$ 9,086	$ 9,086	
ADD - ENCUMBRANCE AND CONTRACT RESERVES REAPPROPRIATED	268,297	268,297		58	58	
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	285,294	285,294		9,144	9,144	
REVENUES:						
TAXES	240,000	243,932	$ 3,932	300	291	$ (9)
LICENSES, FEES AND PERMITS	100	398	298	9,900	12,108	2,208
FEDERAL	263,483	249,539	(13,944)	3,262	3,209	(53)
DEPARTMENTAL SERVICES	15,018	8,731	(6,287)	1,384	1,258	(126)
OTHER	3,700	5,076	1,376			
OTHER FINANCING SOURCES - TRANSFERS IN	18,637	18,637		83	83	
TOTAL SOURCES OF FINANCIAL RESOURCES	826,232	811,607	(14,625)	24,073	26,093	2,020
USES OF FINANCIAL RESOURCES:						
EXPENDITURES AND ENCUMBRANCES:						
WILDLIFE RESOURCES				14,892	14,431	461
TRANSPORTATION	811,880	785,636	26,244			
TOTAL USES OF FINANCIAL RESOURCES	811,880	785,636	26,244	14,892	14,431	461
FUND BALANCES (BUDGETARY BASIS), JUNE 30 (Note 2)	$ 14,352	$ 25,971	$ 11,619	$ 9,181	$ 11,662	$ 2,481

	OTHER SPECIAL REVENUE FUNDS			TOTAL SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:						
FUND BALANCES (BUDGETARY BASIS), JULY 1	$ 2,794	$ 2,794		$ 28,877	$ 28,877	
ADD - ENCUMBRANCE AND CONTRACT RESERVES REAPPROPRIATED	7	7		268,362	268,362	
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	2,801	2,801		297,239	297,239	
REVENUES:						
TAXES				240,300	244,223	$ 3,923
LICENSES, FEES AND PERMITS	6,160	7,762	$ 1,602	16,160	20,268	4,108
FEDERAL	192	360	168	266,937	253,108	(13,829)
DEPARTMENTAL SERVICES	2,048	1,670	(378)	18,450	11,659	(6,791)
OTHER				3,700	5,076	1,376
OTHER FINANCING SOURCES - TRANSFERS IN	1,000	1,000		19,720	19,720	
TOTAL SOURCES OF FINANCIAL RESOURCES	12,201	13,593	1,392	862,506	851,293	(11,213)
USES OF FINANCIAL RESOURCES:						
EXPENDITURES AND ENCUMBRANCES:						
TREASURER	1,633	1,330	303	1,633	1,330	303
PUBLIC SERVICE COMMISSION	4,669	4,616	53	4,669	4,616	53
EDUCATION	1,134	901	233	1,134	901	233
HEALTH AND ENVIRONMENT	3,342	728	2,614	3,342	728	2,614
SAFETY	181	123	58	181	123	58
WILDLIFE RESOURCES				14,892	14,431	461
TRANSPORTATION				811,880	785,636	26,244
OTHER FINANCING USES - TRANSFERS OUT	56	56		56	56	
TOTAL USES OF FINANCIAL RESOURCES	11,015	7,754	3,261	837,787	807,821	29,966
FUND BALANCES (BUDGETARY BASIS), JUNE 30 (Note 2)	$ 1,186	$ 5,839	$ 4,653	$ 24,719	$ 43,472	$ 18,753

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	PUBLIC SERVICE COMMISSION		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES (BUDGETARY BASIS), JULY 1	$ 1,052	$ 1,052	
ADD - ENCUMBRANCE RESERVES REAPPROPRIATED	7	7	
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	1,059	1,059	
REVENUES:			
LICENSES, FEES AND PERMITS	3,700	3,828	$ 128
FEDERAL	192	230	38
DEPARTMENTAL SERVICES	729	710	(19)
TOTAL SOURCES OF FINANCIAL RESOURCES	5,680	5,827	147
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER			
PUBLIC SERVICE COMMISSION	4,669	4,616	53
HEALTH AND ENVIRONMENT			
OTHER FINANCING USES - TRANSFERS OUT	56	56	
TOTAL USES OF FINANCIAL RESOURCES	4,725	4,672	53
FUND BALANCES (BUDGETARY BASIS), JUNE 30 (Note 2)	$ 955	$ 1,155	$ 200

	DRIVER EDUCATION		
	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
SOURCES OF FINANCIAL RESOURCES:			
FUND BALANCES (BUDGETARY BASIS), JULY 1	$ 313	$ 313	
ADD - ENCUMBRANCE RESERVES REAPPROPRIATED			
ADJUSTED FUND BALANCES (BUDGETARY BASIS), JULY 1	313	313	
REVENUES:			
LICENSES, FEES AND PERMITS	1,260	1,283	$ 23
FEDERAL			
DEPARTMENTAL SERVICES		1	1
OTHER FINANCING SOURCES - TRANSFERS IN			
TOTAL SOURCES OF FINANCIAL RESOURCES	1,573	1,597	24
USES OF FINANCIAL RESOURCES:			
EXPENDITURES AND ENCUMBRANCES:			
TREASURER			
PUBLIC SERVICE COMMISSION			
EDUCATION	1,134	901	233
HEALTH AND ENVIRONMENT			
SAFETY	181	123	58
OTHER FINANCING USES - TRANSFERS OUT			
TOTAL USES OF FINANCIAL RESOURCES	1,315	1,024	291
FUND BALANCES (BUDGETARY BASIS), JUNE 30, (Note 2)	$ 258	$ 573	$ 315

CRIMINAL INJURIES COMPENSATION			ABANDONED LAND PROGRAM		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
$ 119	$ 119		$ 1,310	$ 1,310	
119	119		1,310	1,310	
	1,368	$ 1,368	1,200	1,283	$ 83
119	1,487	1,368	2,510	2,593	83
1,633	1,330	303			
			1,023	137	886
1,633	1,330	303	1,023	137	886
$ (1,514)	$ 157	$ 1,671	$ 1,487	$ 2,456	$ 969

HAZARDOUS WASTE			TOTAL OTHER SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-FAVORABLE (UNFAVORABLE)
			$ 2,794	$ 2,794	
			7	7	
			2,801	2,801	
	$ 130	$ 130	6,160	7,762	$ 1,602
			192	360	168
$ 1,319	959	(360)	2,048	1,670	(378)
1,000	1,000		1,000	1,000	
2,319	2,089	(230)	12,201	13,593	1,392
			1,633	1,330	303
			4,669	4,616	53
			1,134	901	233
2,319	591	1,728	3,342	728	2,614
			181	123	58
			56	56	
2,319	591	1,728	11,015	7,754	3,261
$ -	$ 1,498	$ 1,498	$ 1,186	$ 5,839	$ 4,653

Debt Service Fund

The Debt Service Fund is maintained to account for accumulation of resources for, and the payment of, principal and interest on general long-term debt.

STATE OF TENNESSEE
BALANCE SHEET
DEBT SERVICE FUND
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	JUNE 30, 1984	JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$ 7,263	$ 2,323
PREPAYMENTS	1	1
TOTAL ASSETS	$ 7,264	$ 2,324
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 1	$ 4
MATURED BONDS AND INTEREST PAYABLE	164	55
ACCRUED INTEREST ON BOND ANTICIPATION NOTES	525	122
TOTAL LIABILITIES	690	181
FUND BALANCE (Note 1):		
UNRESERVED	6,574	2,143
TOTAL FUND BALANCE	6,574	2,143
TOTAL LIABILITIES AND FUND BALANCE	$ 7,264	$ 2,324

STATE OF TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1984	JUNE 30, 1983
REVENUES:		
TAXES:		
SALES AND USE	$ 14,480	$ 13,017
GASOLINE	29,300	29,300
FRANCHISE	16,000	16,000
EXCISE	39,400	44,100
	99,180	102,417
FEDERAL	92	92
TOTAL REVENUES	99,272	102,509
EXPENDITURES:		
BOND PRINCIPAL RETIREMENT	52,625	55,625
BOND INTEREST	31,503	29,929
NOTE INTEREST	3,403	5,908
OTHER	109	134
TOTAL EXPENDITURES	87,640	91,596
EXCESS OF REVENUES OVER EXPENDITURES	11,632	10,913
OTHER FINANCING SOURCES (USES):		
OPERATING TRANSFER FROM GENERAL FUND	6,519	861
OPERATING TRANSFER TO CAPITAL PROJECTS FUND	(2,400)	(13,025)
OPERATING TRANSFER TO HIGHWAY FUND	(11,320)	(11,860)
TOTAL OTHER FINANCING SOURCES (USES)	(7,201)	(24,024)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	4,431	(13,111)
FUND BALANCE, JULY 1	2,143	15,254
FUND BALANCE, JUNE 30	$ 6,574	$ 2,143

See accompanying Notes to the Financial Statements.

Capital Projects Fund

The Capital Projects Fund is maintained to account for the acquisition or construction of major governmental general fixed assets financed principally by long-term bonds.

STATE OF TENNESSEE
BALANCE SHEET
CAPITAL PROJECTS FUND
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	JUNE 30, 1984	JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$ 154,982	$ 140,747
DUE FROM OTHER GOVERNMENTS	674	1,502
TOTAL ASSETS	$ 155,656	$ 142,249
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
WARRANTS PAYABLE	$ 5,657	$ 844
ACCOUNTS PAYABLE	4,565	4,068
INTERFUND PAYABLES (Note 2)	2,310	1,300
NOTES PAYABLE (Note 3)	88,520	46,140
OTHER	182	286
TOTAL LIABILITIES	101,234	52,638
FUND BALANCE (Note 1):		
RESERVED FOR ENCUMBRANCES AND CONTRACTS	10,000	15,723
RESERVED FOR APPROVED CAPITAL PROJECTS	32,949	63,720
RESERVED FOR FUTURE CAPITAL PROJECTS	11,473	10,168
TOTAL FUND BALANCE	54,422	89,611
TOTAL LIABILITIES AND FUND BALANCE	$ 155,656	$ 142,249

STATE OF TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	FOR THE YEAR ENDED	
	JUNE 30, 1984	JUNE 30, 1983
REVENUES:		
FEDERAL	$ 2,303	$ 3,988
DEPARTMENTAL SERVICES	259	628
TOTAL REVENUES	2,562	4,616
EXPENDITURES:		
GENERAL GOVERNMENT	19,395	5,168
EDUCATION	437	4,358
HEALTH AND SOCIAL SERVICES	2,530	3,551
LAW, JUSTICE AND PUBLIC SAFETY	6,764	8,097
RECREATION AND RESOURCES DEVELOPMENT	2,411	4,231
TOTAL EXPENDITURES	31,537	25,405
EXCESS OF EXPENDITURES OVER REVENUES	(28,975)	(20,789)
OTHER FINANCING SOURCES (USES):		
PROCEEDS FROM BOND SALE		100,000
OPERATING TRANSFER FROM GENERAL FUND	12,588	8,428
OPERATING TRANSFER FROM DEBT SERVICE FUND	2,400	13,025
OPERATING TRANSFER TO COLLEGE AND UNIVERSITY FUNDS	(21,202)	(21,201)
TOTAL OTHER FINANCING SOURCES (USES)	(6,214)	100,252
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(35,189)	79,463
FUND BALANCE, JULY 1	89,611	10,148
FUND BALANCE, JUNE 30	$ 54,422	$ 89,611

See accompanying Notes to the Financial Statements.

Enterprise Funds

The Enterprise Funds are used to account for the operations of state agencies that provide goods or services to the general public on a user charge basis. The state's enterprise operations are described below.

Housing Development Agency - Created by the legislature in 1973, the purpose of this agency is to improve the quality of housing available to lower and moderate income Tennesseans. This objective is accomplished in part by (1) making funds available for loans for residential construction or rehabilitation, (2) making or participating in the making of insured mortgage loans and (3) purchasing existing mortgages from lending institutions. These programs are funded primarily from the sale of revenue bonds or notes.

Local Development Authority - This authority was created in 1978 for the purpose of providing to local governments, through the issuing of revenue bonds or notes, the financing assistance previously provided by the State Loan Program. In addition, the Authority may assist small business concerns in financing pollution control facilities and farmers in financing certain capital improvements.

State Loan Program - Operated since the early 1970's through the Department of Health and Environment, this program has provided financial assistance to local governments and utility districts for the construction of sewage treatment, solid waste recovery and waterworks facilities. In order for these borrowing entities to generate funds necessary to repay the loans, the imposition of a user's fee by the local systems was authorized. In order to finance this program, general obligation bonds were sold which, although remaining full faith and credit obligations of the state, are being retired from resources of this fund. Future financing for this program will be generated from the sale of revenue bonds or notes by the Local Development Authority.

Other - Three smaller enterprise operations are included in this group, as follows:

1. Housing Rehabilitation Corporation - Established in 1973, this corporation's purpose is to provide a means of encouraging the rehabilitation of existing housing. To facilitate this objective the corporation insures first mortgage loans on existing houses and insures loans for home improvements. Although they have received state appropriations in the past, it is intended that the corporation be self-funded with revenues from investments, fees and premium income.

2. Federal Property Utilization, a division of the Department of General Services - This agency receives surplus federal property and redistributes it to civil defense units, health and educational institutions and other eligible donees within the state. The agency collects fees from the donees to offset operating costs.

3. State Employees' Cafeteria, also a division of the Department of General Services - This Nashville division operates two cafeterias for the convenience of state employees, one in the Andrew Jackson State Office Building and another in the Legislative Plaza.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	OTHER	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CURRENT ASSETS:						
CASH AND CASH EQUIVALENTS	$ 87,232	$ 25,783	$ 8,324	$ 777	$ 122,116	$ 204,592
RECEIVABLES:						
ACCOUNTS	2,812			46	2,858	2,248
INTEREST	10,079	31	6		10,116	12,525
FIRST MORTGAGE LOANS - CURRENT PORTION	17,764				17,764	4,788
DUE FROM OTHER GOVERNMENTS - CURRENT PORTION			2,390		2,390	2,275
INVENTORIES, at cost				5	5	6
TOTAL CURRENT ASSETS	117,887	25,814	10,720	828	155,249	226,434
OTHER ASSETS:						
LONG-TERM INVESTMENTS, at cost	73,945				73,945	76,010
FIRST MORTGAGE LOANS RECEIVABLE	548,493				548,493	457,364
DUE FROM OTHER GOVERNMENTS		58,815	69,446		128,261	133,351
DEFERRED CHARGES	1,253				1,253	1,381
TOTAL OTHER ASSETS	623,691	58,815	69,446		751,952	668,106
MACHINERY AND EQUIPMENT, at cost	71			464	535	521
LESS ACCUMULATED DEPRECIATION	(29)			(324)	(353)	(336)
TOTAL FIXED ASSETS	42			140	182	185
TOTAL ASSETS	$ 741,620	$ 84,629	$ 80,166	$ 968	$ 907,383	$ 894,725
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
CURRENT LIABILITIES:						
WARRANTS PAYABLE	$ 1,206			$ 19	$ 1,225	$ 985
ACCOUNTS PAYABLE AND ACCRUALS	29,239	$ 4,044	$ 2,027	119	35,429	33,440
INTERFUND PAYABLES (Note 2)	12			6	18	17
NOTES PAYABLE (Note 3)		78,280			78,280	92,250
CURRENT PORTION OF LONG - TERM DEBT (Note 3)	15,285		2,390		17,675	15,590
DEFERRED REVENUE	3,085			3	3,088	3,327
TOTAL CURRENT LIABILITIES	48,827	82,324	4,417	147	135,715	145,609
LONG-TERM DEBT - BONDS PAYABLE (NET) (Note 3)	640,272		71,540		711,812	699,411
TOTAL LIABILITIES	689,099	82,324	75,957	147	847,527	845,020
FUND EQUITY (Note 2):						
CONTRIBUTED CAPITAL				593	593	593
RETAINED EARNINGS:						
RESERVED FOR BOND RETIREMENT	14,647				14,647	11,496
UNRESERVED	37,874	2,305	4,209	228	44,616	37,616
TOTAL FUND EQUITY	52,521	2,305	4,209	821	59,856	49,705
TOTAL LIABILITIES AND FUND EQUITY	$ 741,620	$ 84,629	$ 80,166	$ 968	$ 907,383	$ 894,725

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	OTHER	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	TOTALS FOR THE YEAR ENDED JUNE 30, 1983
OPERATING REVENUES:						
CHARGES FOR SERVICES	$ 1,036			$ 1,293	$ 2,329	$ 1,796
INTEREST INCOME	64,596	$ 2,390	$ 782	38	67,806	69,033
INTERGOVERNMENTAL	32	4,441	4,071		8,544	8,821
TOTAL OPERATING REVENUES	65,664	6,831	4,853	1,331	78,679	79,650
OPERATING EXPENSES:						
PERSONAL SERVICES	1,465	620		722	2,807	3,385
CONTRACTUAL SERVICES	384			137	521	527
MATERIALS AND SUPPLIES	29			387	416	461
RENTALS AND INSURANCE	92			6	98	94
MORTGAGE SERVICE FEES	1,596				1,596	1,423
INTEREST	52,136	5,320	4,436		61,892	66,328
DEPRECIATION AND AMORTIZATION	406			34	440	427
OTHER	351			24	375	161
TOTAL OPERATING EXPENSES	56,459	5,940	4,436	1,310	68,145	72,806
OPERATING INCOME	9,205	891	417	21	10,534	6,844
NONOPERATING REVENUES (EXPENSES):						
OPERATING GRANTS	14,086				14,086	12,735
GAIN ON SALE OF INVESTMENTS	1,494				1,494	
GRANT EXPENSE	(13,834)				(13,834)	(12,735)
TOTAL NONOPERATING REVENUES (EXPENSES)	1,746				1,746	
INCOME BEFORE OPERATING TRANSFER	10,951	891	417	21	12,280	6,844
OPERATING TRANSFER FROM GENERAL FUND						235
INCOME BEFORE EXTRAORDINARY ITEM	10,951	891	417	21	12,280	7,079
EXTRAORDINARY CHARGE (Note 3)	(2,129)				(2,129)	
NET INCOME/CHANGE IN RETAINED EARNINGS	8,822	891	417	21	10,151	7,079
OTHER CHANGES IN FUND EQUITY:						
EQUITY TRANSFER TO GENERAL FUND						(900)
LOSS ON DISPOSAL OF INDUSTRIES FOR THE BLIND						(466)
NET CHANGE IN FUND EQUITY	8,822	891	417	21	10,151	5,713
FUND EQUITY, JULY 1	43,699	1,414	3,792	800	49,705	43,992
FUND EQUITY, JUNE 30 (Note 2)	$ 52,521	$ 2,305	$ 4,209	$ 821	$ 59,856	$ 49,705

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	HOUSING DEVELOPMENT AGENCY	LOCAL DEVELOPMENT AUTHORITY	STATE LOAN PROGRAM	OTHER	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
SOURCES OF WORKING CAPITAL:						
OPERATIONS:						
INCOME BEFORE EXTRAORDINARY ITEM	$ 10,951	$ 891	$ 417	$ 21	$ 12,280	$ 7,079
ITEMS NOT REQUIRING WORKING CAPITAL - DEPRECIATION AND AMORTIZATION	406			34	440	427
WORKING CAPITAL PROVIDED BY OPERATIONS, EXCLUSIVE OF EXTRAORDINARY ITEM	11,357	891	417	55	12,720	7,506
EXTRAORDINARY ITEM - EARLY RETIREMENT OF BONDS, INCLUDING EXTRAORDINARY CHARGE OF $2,129 (Note 3)	(109,000)				(109,000)	
WORKING CAPITAL PROVIDED BY OPERATIONS	(97,643)	891	417	55	(96,280)	7,506
PROCEEDS FROM SALE OF BONDS	138,481				138,481	150,000
DISPOSAL OF MACHINERY AND EQUIPMENT				9	9	56
DECREASE IN LOANS TO OTHER GOVERNMENTS		5,001	89		5,090	
SALE OF LONG-TERM INVESTMENTS	2,065				2,065	
TOTAL SOURCES OF WORKING CAPITAL	42,903	5,892	506	64	49,365	157,562
USES OF WORKING CAPITAL:						
PURCHASE OF LONG-TERM INVESTMENTS						23,998
INCREASE IN FIRST MORTGAGE LOANS RECEIVABLE	91,129				91,129	41,150
INCREASE IN LOANS TO OTHER GOVERNMENTS						2,325
INCREASE IN DEFERRED CHARGES	271				271	166
ACQUISITION OF MACHINERY AND EQUIPMENT	16			30	46	23
DECREASE IN LONG-TERM DEBT	16,819		2,390		19,209	18,017
EQUITY TRANSFER TO GENERAL FUND						900
LOSS ON DISPOSAL OF INDUSTRIES FOR THE BLIND						466
TOTAL USES OF WORKING CAPITAL	108,235		2,390	30	110,655	87,045
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ (65,332)	$ 5,892	$ (1,884)	$ 34	$ (61,290)	$ 70,517
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:						
CASH AND CASH EQUIVALENTS	$ (70,819)	$ (10,362)	$ (1,346)	$ 51	$ (82,476)	$ 72,234
ACCOUNTS RECEIVABLE	633			(23)	610	756
INTEREST RECEIVABLE	(2,354)	(53)	(2)		(2,409)	4,725
FIRST MORTGAGE LOANS RECEIVABLE	12,976				12,976	638
CURRENT DUE FROM OTHER GOVERNMENTS			115		115	210
INVENTORIES				(1)	(1)	(312)
WARRANTS PAYABLE	(246)			6	(240)	66
ACCOUNTS PAYABLE AND ACCRUALS	(3,789)	2,337	(536)	(1)	(1,989)	(2,664)
INTERFUND PAYABLES	(1)				(1)	77
NOTES PAYABLE		13,970			13,970	(1,575)
CURRENT PORTION OF LONG-TERM DEBT	(1,970)		(115)		(2,085)	(2,410)
DEFERRED REVENUE	238			2	240	(1,228)
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ (65,332)	$ 5,892	$ (1,884)	$ 34	$ (61,290)	$ 70,517

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
OTHER ENTERPRISE FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	HOUSING REHABILITATION CORPORATION	FEDERAL PROPERTY UTILIZATION	STATE EMPLOYEES' CAFETERIA	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 447	$ 230	$ 100	$ 777	$ 726
ACCOUNTS RECEIVABLE		46		46	69
INVENTORIES, at cost			5	5	6
TOTAL CURRENT ASSETS	447	276	105	828	801
MACHINERY AND EQUIPMENT, at cost	3	247	214	464	464
LESS ACCUMULATED DEPRECIATION	(2)	(133)	(189)	(324)	(312)
TOTAL FIXED ASSETS	1	114	25	140	152
TOTAL ASSETS	$ 448	$ 390	$ 130	$ 968	$ 953
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
CURRENT LIABILITIES:					
WARRANTS PAYABLE		$ 15	$ 4	$ 19	$ 25
ACCOUNTS PAYABLE AND ACCRUALS		73	46	119	118
INTERFUND PAYABLES (Note 2)		4	2	6	6
DEFERRED REVENUE	$ 3			3	4
TOTAL LIABILITIES	3	92	52	147	153
FUND EQUITY (Note 2):					
CONTRIBUTED CAPITAL		376	217	593	593
RETAINED EARNINGS (DEFICIT):					
UNRESERVED	445	(78)	(139)	228	207
TOTAL FUND EQUITY	445	298	78	821	800
TOTAL LIABILITIES AND FUND EQUITY	$ 448	$ 390	$ 130	$ 968	$ 953

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	HOUSING REHABILITATION CORPORATION	FEDERAL PROPERTY UTILIZATION	STATE EMPLOYEES' CAFETERIA	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
OPERATING REVENUES:					
CHARGES FOR SERVICES	$ 9	$ 303	$ 681	$ 1,293	$ 1,596
INTEREST INCOME	38			38	108
TOTAL OPERATING REVENUES	47	603	681	1,331	1,704
OPERATING EXPENSES:					
PERSONAL SERVICES		437	285	722	1,130
CONTRACTUAL SERVICES		103	34	137	170
MATERIALS AND SUPPLIES		62	325	387	437
RENTALS AND INSURANCE		6		6	5
DEPRECIATION AND AMORTIZATION		27	7	34	40
OTHER		22	2	24	28
TOTAL OPERATING EXPENSES		657	653	1,310	1,810
OPERATING INCOME (LOSS)	47	(54)	28	21	(106)
OPERATING TRANSFER FROM GENERAL FUND					235
NET INCOME (LOSS)/CHANGE IN RETAINED EARNINGS	47	(54)	28	21	129
OTHER CHANGES IN FUND EQUITY:					
EQUITY TRANSFER TO GENERAL FUND					(900)
LOSS ON DISPOSAL OF INDUSTRIES FOR THE BLIND					(466)
NET CHANGE IN FUND EQUITY	47	(54)	28	21	(1,237)
FUND EQUITY, JULY 1	398	352	50	800	2,037
FUND EQUITY, JUNE 30 (Note 2)	$ 445	$ 298	$ 78	$ 821	$ 800

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	HOUSING REHABILITATION CORPORATION	FEDERAL PROPERTY UTILIZATION	STATE EMPLOYEES' CAFETERIA	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
SOURCES OF WORKING CAPITAL:					
OPERATIONS:					
NET INCOME (LOSS)	$ 47	$ (54)	$ 28	$ 21	$ 129
ITEMS NOT REQUIRING WORKING CAPITAL-					
DEPRECIATION AND AMORTIZATION		27	7	34	40
WORKING CAPITAL PROVIDED BY OPERATIONS	47	(27)	35	55	169
DISPOSAL OF MACHINERY AND EQUIPMENT		9		9	56
TOTAL SOURCES OF WORKING CAPITAL	47	(18)	35	64	225
USES OF WORKING CAPITAL:					
ACQUISITION OF MACHINERY AND EQUIPMENT		28	2	30	18
EQUITY TRANSFER TO GENERAL FUND					900
LOSS ON DISPOSAL OF INDUSTRIES FOR THE BLIND					466
TOTAL USES OF WORKING CAPITAL		28	2	30	1,384
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 47	$ (46)	$ 33	$ 34	$ (1,159)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:					
CASH AND CASH EQUIVALENTS	$ 45	$ (16)	$ 22	$ 51	$ (770)
ACCOUNTS RECEIVABLE		(22)	(1)	(23)	(264)
INVENTORIES			(1)	(1)	(312)
WARRANTS PAYABLE		(6)	12	6	50
ACCOUNTS PAYABLE AND ACCRUALS		(2)	1	(1)	61
INTERFUND PAYABLES					76
DEFERRED REVENUE	2			2	
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 47	$ (46)	$ 33	$ 34	$ (1,159)

See accompanying Notes to the Financial Statements.

Internal Service Funds

The Internal Service Funds are used to account for the operations of state agencies that provide goods or services to other state agencies on a cost reimbursement basis. The following operations are included in these funds:

Information System Services, a division of the Department of Finance and Administration - This agency functions as the data processing service bureau for state government;

Motor Vehicle Management, a division of the Department of General Services - This division is responsible for administering a uniform program for the operation and maintenance of all state vehicles;

Printing, a division of the Department of General Services - This agency operates a printing facility to provide such services as general printing, typesetting and binding for state agencies located in Nashville and has responsibility for the installation and management of state-owned copier machines located in selected state agencies with high volume activity;

Building Management, a division of the Department of General Services -This division is responsible for the maintenance, repair and upkeep of selected state owned buildings located in Chattanooga, Memphis and Jackson;

Tennessee State Industries, a division of the Department of Correction - Located at the state prison in Only, the industries workshops manufacture furniture, license plates and other products for state, county and municipal offices and institutions. The statements presented reflect the transfer of Tennessee State Industries to the General Fund as of June 30, 1984;

Tennessee State School Bond Authority (TSSBA) - Established in 1965, the TSSBA provides a mechanism for financing building projects for the state's universities. Agreements are executed between the governing boards of the institutions and the TSSBA, and revenue bonds are issued using the constructed facilities as collateral. Charges levied by the universities on users of the facilities provide the funds necessary for payment of principal and interest on bonds. Any collections in excess of these requirements are retained by the institutions to cover administrative fees, building maintenance and related costs;

Other - Three smaller internal service agencies are included in this group, as follows:

1. Legislative Services, a division of the Legislative branch - This division collects revenue from the printing and distribution of proposed bills, legislative calendars and other information during the legislative session;

2. Capitol Print Shop, a division of the Office of the Comptroller - This facility is responsible for providing printing, mailing and other office services for the state agencies located in the Capitol;

3. Postal Services, a division of the Department of General Services - This agency processes and distributes incoming, outgoing and interdepartmental mail for state agencies located in Nashville.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	INFORMATION SYSTEM SERVICES	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	$ 3,743	$ 5,721	$ 1,738
CASH ON DEPOSIT WITH FISCAL AGENT			
ACCOUNTS RECEIVABLE, net of allowance for uncollectibles of $4 in 1983	1	7	
INTERFUND RECEIVABLE (Note 2)		138	
INVENTORIES, at cost		52	202
PREPAID EXPENSES	21		
TOTAL CURRENT ASSETS	3,765	5,918	1,940
OTHER ASSETS:			
INVESTMENTS, at cost			
DEFERRED CHARGES			
TOTAL OTHER ASSETS			
FIXED ASSETS:			
LAND, at cost		96	
STRUCTURES AND IMPROVEMENTS, at cost			
MACHINERY AND EQUIPMENT, at cost	20,258	16,554	1,863
LESS ACCUMULATED DEPRECIATION	(15,768)	(6,361)	(861)
TOTAL FIXED ASSETS	4,490	10,289	1,002
TOTAL ASSETS	$ 8,255	$ 16,207	$ 2,942
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
CURRENT LIABILITIES:			
WARRANTS PAYABLE	$ 69	$ 213	$ 24
ACCOUNTS PAYABLE AND ACCRUALS:			
ACCOUNTS PAYABLE	526	457	115
ACCRUED PAYROLL AND RELATED DEDUCTIONS	572	64	110
INTERFUND PAYABLES (Note 2)	44	5	8
NOTES PAYABLE			
DEFERRED REVENUE			
TOTAL CURRENT LIABILITIES	1,211	739	257
LONG-TERM DEBT:			
BONDS PAYABLE (Note 3)			
CALL PREMIUMS PAYABLE			
TOTAL LONG-TERM DEBT			
TOTAL LIABILITIES	1,211	739	257
FUND EQUITY (Note 2):			
CONTRIBUTED CAPITAL:			
CAPITAL GRANTS		121	
GOVERNMENT'S CONTRIBUTION	4,887	10,719	1,613
RETAINED EARNINGS (DEFICIT)	2,157	4,628	1,072
TOTAL FUND EQUITY	7,044	15,468	2,685
TOTAL LIABILITIES AND FUND EQUITY	$ 8,255	$ 16,207	$ 2,942

See accompanying Notes to the Financial Statements.

BUILDING MANAGEMENT	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER	TOTALS JUNE 30, 1984	JUNE 30, 1983
$ 594	$ 2,057	$ 743	$ 14,596	$ 75,292
	817		817	4,208
		3	11	183
			138	
		88	342	3,905
		22	43	18
594	2,874	856	15,947	83,606
	52,495		52,495	52,417
	410		410	583
	52,905		52,905	53,000
1,468			1,468	1,468
13,048			13,144	13,041
38		304	39,017	37,461
(2,706)		(142)	(25,838)	(24,809)
11,848		162	27,791	27,161
$ 12,442	$ 55,779	$ 1,018	$ 96,643	$ 163,767
$ 24		$ 75	$ 405	$ 931
55	$ 199	29	1,381	7,845
36		46	828	935
3		3	63	74
				60,232
	617		617	216
118	816	153	3,294	70,233
	52,274		52,274	52,248
	1,533		1,533	1,533
	53,807		53,807	53,781
118	54,623	153	57,101	124,014
			121	
13,963		340	31,522	35,140
(1,639)	1,156	525	7,899	4,613
12,324	1,156	865	39,542	39,753
$ 12,442	$ 55,779	$ 1,018	$ 96,643	$ 163,767

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND EQUITY
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	INFORMATION SYSTEM SERVICES	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING	BUILDING MANAGEMENT
OPERATING REVENUES:				
CHARGES FOR SERVICES	$ 13,727	$ 9,238	$ 2,910	$ 1,504
INTEREST INCOME				
OTHER	26	53		
TOTAL OPERATING REVENUES	13,753	9,291	2,910	1,504
OPERATING EXPENSES:				
PERSONAL SERVICES	5,303	600	1,133	363
CONTRACTUAL SERVICES	1,731	119	225	912
MATERIALS AND SUPPLIES	459	3,423	1,019	83
RENTALS AND INSURANCE	4,002	67	213	1
INTEREST	155			
DEPRECIATION AND AMORTIZATION	1,588	2,377	249	420
OTHER	30	6	10	15
TOTAL OPERATING EXPENSES	13,268	6,592	2,849	1,794
OPERATING INCOME (LOSS)	485	2,699	61	(290)
NONOPERATING REVENUES		121		
INCOME (LOSS) BEFORE OPERATING TRANSFERS	485	2,820	61	(290)
OPERATING TRANSFERS FROM GENERAL FUND				
NET INCOME (LOSS)/CHANGE IN RETAINED EARNINGS	485	2,820	61	(290)
OTHER CHANGES IN FUND EQUITY:				
CONTRIBUTED FIXED ASSETS		166		
CHARGE FROM REASSIGNMENT OF OPERATIONS TO GENERAL FUND				
EQUITY TRANSFER TO GENERAL FUND				
NET CHANGE IN FUND EQUITY	485	2,986	61	(290)
FUND EQUITY, JULY 1 (Note 2)	6,559	12,482	2,624	12,614
FUND EQUITY, JUNE 30	$ 7,044	$ 15,468	$ 2,685	$ 12,324

See accompanying Notes to the Financial Statements.

TENNESSEE STATE INDUSTRIES	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER	TOTALS JUNE 30, 1984	JUNE 30, 1983
$ 6,121		$ 2,540	$ 36,040	$ 37,464
	$ 3,037		3,037	2,823
8			87	30
6,129	3,037	2,540	39,164	40,317
1,097		612	9,108	10,484
514		286	3,787	3,676
4,412		1,535	10,931	12,983
4		2	4,289	4,301
	2,908		3,063	3,008
100	199	28	4,961	4,741
176		18	255	516
6,303	3,107	2,481	36,394	39,709
(174)	(70)	59	2,770	608
			121	
(174)	(70)	59	2,891	608
31			31	23
(143)	(70)	59	2,922	631
			166	92
(3,290)			(3,290)	(1,741)
(9)			(9)	
(3,442)	(70)	59	(211)	(1,018)
3,442	1,226	806	39,753	40,771
$ -	$ 1,156	$ 865	$ 39,542	$ 39,753

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	INFORMATION SYSTEM SERVICES	MOTOR VEHICLE MANAGEMENT	GENERAL SERVICES PRINTING	BUILDING MANAGEMENT
SOURCES OF WORKING CAPITAL:				
OPERATIONS:				
NET INCOME (LOSS)	$ 48	$ 2,820	$ 61	$ (290)
ITEMS NOT REQUIRING WORKING CAPITAL - DEPRECIATION AND AMORTIZATION	1,588	2,377	249	420
WORKING CAPITAL PROVIDED BY OPERATIONS	2,073	5,197	310	130
DISPOSAL OF MACHINERY AND EQUIPMENT	2	554	2	
TOTAL SOURCES OF WORKING CAPITAL	2,075	5,751	312	130
USES OF WORKING CAPITAL:				
PURCHASE OF LONG-TERM INVESTMENTS				
ACQUISITION OF FIXED ASSETS	1,086	4,974	187	17
CHARGE FROM REASSIGNMENT OF OPERATIONS TO GENERAL FUND				
EQUITY TRANSFER TO GENERAL FUND				
TOTAL USES OF WORKING CAPITAL	1,086	4,974	187	17
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 989	$ 777	$ 125	$ 113
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
CASH AND CASH EQUIVALENTS	$ (719)	$ 734	$ 209	$ 94
CASH ON DEPOSIT WITH FISCAL AGENT				
INVESTMENTS				
ACCOUNTS RECEIVABLE, net of allowance for uncollectibles		(31)	(33)	(3)
INTERFUND RECEIVABLES		138		
INVENTORIES		(2)	(94)	
PREPAID EXPENSES	11			
WARRANTS PAYABLE	1	89	61	29
ACCOUNTS PAYABLE AND ACCRUALS	177	(150)	(20)	(7)
INTERFUND PAYABLES	(3)	(1)	2	
NOTES PAYABLE	1,522			
BONDS PAYABLE				
DEFERRED REVENUE				
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 989	$ 777	$ 125	$ 113

See accompanying Notes to the Financial Statements.

TENNESSEE STATE INDUSTRIES	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
$ (143)	$ (70)	$ 59	$ 2,922	$ 631
100	199	28	4,961	4,741
(43)	129	87	7,883	5,372
526			1,084	1,416
483	129	87	8,967	6,788
	78		78	78
38		8	6,310	5,470
3,290			3,290	1,741
9			9	
3,337	78	8	9,687	7,289
$(2,854)	$ 51	$ 79	$ (720)	$ (501)
$ (113)	$(60,844)	$ 103	$(60,536)	$ 61,814
	(3,392)		(3,392)	(2,810)
(85)		(12)	(164)	(136)
			138	
(3,462)		(5)	(3,563)	(2,781)
		14	25	(17)
243	31	(17)	437	(249)
553	5,947	(3)	6,497	3,927
10		(1)	7	2
	58,710		60,232	(60,232)
	(401)		(401)	(19)
$(2,854)	$ 51	$ 79	$ (720)	$ (501)

STATE OF TENNESSEE
COMBINING BALANCE SHEET
OTHER INTERNAL SERVICE FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 137	$ 213	$ 393	$ 743	$ 640
ACCOUNTS RECEIVABLE	1		2	3	15
INVENTORIES, at cost		38	50	88	93
PREPAID EXPENSES		12	10	22	8
TOTAL CURRENT ASSETS	138	263	455	856	756
FIXED ASSETS:					
MACHINERY AND EQUIPMENT, at cost		221	83	304	296
LESS ACCUMULATED DEPRECIATION		(116)	(26)	(142)	(114)
TOTAL FIXED ASSETS		105	57	162	182
TOTAL ASSETS	$ 138	$ 368	$ 512	$ 1,018	$ 938
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
CURRENT LIABILITIES:					
WARRANTS PAYABLE		$ 13	$ 62	$ 75	$ 58
ACCOUNTS PAYABLE AND ACCRUALS:					
ACCOUNTS PAYABLE		21	8	29	29
ACCRUED PAYROLL AND RELATED DEDUCTIONS		10	36	46	43
INTERFUND PAYABLES (Note 2)			3	3	2
TOTAL LIABILITIES		44	109	153	132
FUND EQUITY:					
CONTRIBUTED CAPITAL	$ 88	188	64	340	340
RETAINED EARNINGS	50	136	339	525	466
TOTAL FUND EQUITY	138	324	403	865	806
TOTAL LIABILITIES AND FUND EQUITY	$ 138	$ 368	$ 512	$ 1,018	$ 938

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
OTHER INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	TOTALS FOR THE YEAR ENDED JUNE 30, 1983
OPERATING REVENUES:					
CHARGES FOR SERVICES	$ 86	$ 555	$ 1,899	$ 2,540	$ 2,334
TOTAL OPERATING REVENUES	86	555	1,899	2,540	2,334
OPERATING EXPENSES:					
PERSONAL SERVICES	8	247	357	612	621
CONTRACTUAL SERVICES	75	146	65	286	284
MATERIALS AND SUPPLIES		140	1,395	1,535	1,225
RENTALS AND INSURANCE			2	2	1
DEPRECIATION AND AMORTIZATION		20	8	28	26
OTHER			18	18	33
TOTAL OPERATING EXPENSES	83	553	1,845	2,481	2,190
NET INCOME CHANGE IN FUND EQUITY	3	2	54	59	144
FUND EQUITY, JULY 1	135	322	349	806	662
FUND EQUITY, JUNE 30	$ 138	$ 324	$ 403	$ 865	$ 806

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
OTHER INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	LEGISLATIVE SERVICES	CAPITOL PRINT SHOP	POSTAL SERVICES	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	TOTALS FOR THE YEAR ENDED JUNE 30, 1983
SOURCES OF WORKING CAPITAL:					
OPERATIONS:					
NET INCOME (LOSS)	$ 3	$ 2	$ 54	$ 59	$ 144
ITEMS NOT REQUIRING WORKING CAPITAL - DEPRECIATION AND AMORTIZATION		20	8	28	26
WORKING CAPITAL PROVIDED BY OPERATIONS	3	22	62	87	170
DISPOSAL OF MACHINERY AND EQUIPMENT					4
TOTAL SOURCES OF WORKING CAPITAL	3	22	62	87	174
USES OF WORKING CAPITAL:					
ACQUISITION OF MACHINERY AND EQUIPMENT		3	5	8	55
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 3	$ 19	$ 57	$ 79	$ 119
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:					
CASH AND CASH EQUIVALENTS	$ 7	$ 14	$ 82	$ 103	$ 344
ACCOUNTS RECEIVABLE	(5)		(7)	(12)	13
INTERFUND RECEIVABLES					(216)
INVENTORIES		(6)	1	(5)	16
PREPAID EXPENSES		7	7	14	(15)
WARRANTS PAYABLE	1	(1)	(17)	(17)	6
ACCOUNTS PAYABLE AND ACCRUALS		5	(8)	(3)	(30)
INTERFUND PAYABLES			(1)	(1)	1
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 3	$ 19	$ 57	$ 79	$ 119

See accompanying Notes to the Financial Statements.

Trust And Agency Funds

The Trust and Agency Funds are used to account for assets held by the state in a fiduciary capacity. Trust funds include the Employment Security Fund, Employee Group Insurance Fund, the Local Government Investment Fund, the Student Assistance Corporation Fund, the Board of Equalization Loan Fund and the Pension Trust Fund. The Local Government Fund and the Contingent Revenue Fund are agency funds.

Trust Funds:

Employment Security Fund - This fund is maintained to account for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants. Funds are also received from the federal government for local office building construction, supplemental unemployment programs and work incentive payments. As required by law, all funds not necessary for current benefit payments are placed on deposit with the U. S. Treasury. Interest earned from these moneys is retained in the fund. Administrative and operational expenses incurred by the Department of Employment Security are expenditures of the General Fund.

Employee Group Insurance Fund - Established in January 1978, this fund is used to account for transactions pertaining to the state's self-insured group medical plan. Prior to 1978 medical insurance was provided by a private carrier. Group life and accident insurance premiums paid to a private insurance company are also recorded in this fund.

Local Government Investment Fund - This fund was created in July 1980 to account for local government deposits with the state treasurer and the related interest earnings. Through this program the participating local governments achieve higher investment income by pooling their funds with the treasurer than they could realize individually.

Student Assistance Corporation Fund - This fund is used to account for the operations of the Tennessee Student Assistance Corporation (TSAC), a nonprofit organization created to administer loan and grant programs to students attending higher education institutions. TSAC was established in 1974 to (1) guarantee loans made to eligible students, (2) administer state awards of financial assistance to eligible students, and (3) administer the nursing and medical loan scholarship programs.

Board of Equalization Loan Fund - This fund was created in 1963 to account for state loans to city and county governments for a program of assessment, reassessment or equalization of property taxes. In 1967 the program was expanded to enable grants also to be made for these purposes. Cash in the fund not needed for loans or grants may be transferred to other state activities by legislative act.

Pension Trust Fund - The Tennessee Consolidated Retirement System was established in July 1972 superseding seven former retirement systems. The accounts of each superseded system were transferred to the new system wherein separate accounting is maintained for assets and liabilities attributable to the various classes of members and beneficiaries. Benefits under the system are funded by contributions of members and employers. Effective July 1981 contributions of up to 5% of the earnable compensation of most classes of state employees, formerly paid by those employees, were assumed by the state pursuant to non-contributory legislation. The level of contributions is determined by actuarial valuation, the latest having been performed as of June 30, 1983. As of that date there were 139,987 active members and 42,120 retired members representing a 1.2% decrease and 17.4% increase, respectively, since the previous actuarial valuation in 1981.

Agency Funds:

Local Government Fund - The purpose of the Local Government Fund is to serve as a clearing mechanism for state-shared taxes and other funds distributed to the various counties and cities of the state.

Contingent Revenue Fund - This fund is used to account for unearned federal revenues, refundable deposits and other receipts held in trust until the state has the right to transfer them to operating funds or until there is proper authorization to disburse them directly to others.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	EXPENDABLE TRUST		
	EMPLOYMENT SECURITY	EMPLOYEE GROUP INSURANCE	LOCAL GOVERNMENT INVESTMENT
CASH AND CASH EQUIVALENTS	$ 5,058	$ 17,191	$ 39,988
CASH ON DEPOSIT WITH FISCAL AGENT	187,206	355	
INVESTMENTS, at cost or amortized cost			
RECEIVABLES:			
INTEREST AND DIVIDENDS			
DUE FROM OTHER GOVERNMENTS			
NOTES RECEIVABLE			
OTHER, net of allowance for uncollectibles of $18,844 in 1984 and $13,859 in 1983 (Note 1)	93,787	43	
INTERFUND RECEIVABLES (Note 2)	98	2,528	
TOTAL ASSETS	$ 286,149	$ 20,117	$ 39,988
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
WARRANTS PAYABLE	$ 260	$ 614	
ACCOUNTS PAYABLE AND ACCRUALS	7,335	2,124	
INTERFUND PAYABLES (Note 2)			$ 1,828
MEMBERS DEPOSITS			38,160
AMOUNTS HELD IN CUSTODY FOR OTHERS			
OTHER	1,220		
TOTAL LIABILITIES	8,815	2,738	39,988
FUND BALANCES:			
RESERVED FOR PENSION BENEFITS			
RESERVED FOR UNEMPLOYMENT COMPENSATION BENEFITS	277,334		
RESERVED FOR CLAIMS INCURRED BUT UNPAID		12,940	
RESERVED FOR GUARANTEED STUDENT LOANS			
RESERVED FOR ASSESSMENT EQUALIZATION AND REAPPRAISAL PROGRAM			
UNRESERVED		4,439	
TOTAL FUND BALANCES	277,334	17,379	
TOTAL LIABILITIES AND FUND BALANCES	$ 286,149	$ 20,117	$ 39,988

See accompanying Notes to the Financial Statements.

NONEXPENDABLE TRUST			AGENCY		TOTALS	
STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	PENSION TRUST	LOCAL GOVERNMENT	CONTINGENT REVENUE	JUNE 30, 1984	JUNE 30, 1983
$ 9,913	$ 2,991	$ 285,022	$ 78,982	$ 71,051	$ 510,196	$ 365,635
		3,159,978			187,561 3,159,978	42,644 2,803,321
204		59,001			59,205	54,520
674	2,241	10,261		9,665	22,841	26,261
1,477					1,477	1,655
84		27,185			121,099	51,465
		3,157		5,221	11,004	10,701
$ 12,352	$ 5,232	$ 3,544,604	$ 78,982	$ 85,937	$ 4,073,361	$ 3,356,202
$ 255		$ 794	$ 239	$ 2,660	$ 4,822	$ 7,576
339		30,234	78,743	42,925	161,700	143,443
3					1,831	12,386
					38,160	18,687
		137,985		40,352	178,337	180,841
1,349					2,569	1,531
1,946		169,013	78,982	85,937	387,419	364,464
		3,375,591			3,375,591	2,886,529
					277,334	81,360
7,968					12,940	16,403
					7,968	5,937
	$ 3,261				3,261	3,306
2,438	1,971				8,848	(1,797)
10,406	5,232	3,375,591			3,685,942	2,991,738
$ 12,352	$ 5,232	$ 3,544,604	$ 78,982	$ 85,937	$ 4,073,361	$ 3,356,202

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	EMPLOYMENT SECURITY	EMPLOYEE GROUP INSURANCE	LOCAL GOVERNMENT INVESTMENT	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	TOTALS FOR THE YEAR ENDED JUNE 30, 1983
REVENUES:					
EMPLOYER PREMIUMS	$ 345,717			$ 345,717	$ 278,004
MEMBER CONTRIBUTIONS		$ 24,826		24,826	26,384
STATE CONTRIBUTIONS		51,071		51,071	35,799
INTEREST INCOME	7,547	1,082	$ 3,609	12,238	7,288
FEDERAL	59,156			59,156	133,589
OTHER	1,643			1,643	2,210
TOTAL REVENUES	414,063	76,979	3,609	494,651	483,274
EXPENDITURES:					
BENEFITS	216,784	57,640		274,424	516,956
REFUNDS	1,305			1,305	275
INSURANCE PREMIUMS		10,545		10,545	9,321
INTEREST ON DEPOSITS			3,553	3,553	2,136
ADMINISTRATIVE FEES		1,433	56	1,489	1,356
TOTAL EXPENDITURES	218,089	69,618	3,609	291,316	530,044
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	195,974	7,361		203,335	(46,770)
FUND BALANCES, JULY 1	81,360	10,018		91,378	138,148
FUND BALANCES, JUNE 30	$ 277,334	$ 17,379	$ -	$ 294,713	$ 91,378

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
NONEXPENDABLE AND PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	NONEXPENDABLE TRUST			TOTALS FOR THE YEAR ENDED	
	STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	PENSION TRUST	JUNE 30, 1984	JUNE 30, 1983
OPERATING REVENUES:					
MEMBER CONTRIBUTIONS			$ 59,777	$ 59,777	$ 57,318
STATE CONTRIBUTIONS			256,969	256,969	251,286
POLITICAL SUBDIVISION CONTRIBUTIONS			35,514	35,514	33,356
INTEREST INCOME	$ 933	$ 129	207,772	208,834	193,552
DIVIDEND INCOME			33,570	33,570	27,328
NET INCOME FROM INVESTMENT TRANSACTIONS			101,526	101,526	52,558
FEDERAL	1,510			1,510	1,639
OTHER	1,058			1,058	1,019
TOTAL OPERATING REVENUES	3,501	129	695,128	698,758	618,056
OPERATING EXPENSES:					
BENEFITS			168,412	168,412	154,443
REFUNDS			23,259	23,259	20,708
PAYMENTS TO TIAA-CREF			14,451	14,451	13,203
GRANTS	6,718	224		6,942	7,672
LOAN CANCELLATIONS	175			175	234
ADMINISTRATIVE FEES	785			785	797
TOTAL OPERATING EXPENSES	7,678	224	206,122	214,024	197,057
OPERATING INCOME (LOSS)	(4,177)	(95)	489,006	484,734	420,999
OPERATING TRANSFER FROM GENERAL FUND	6,079			6,079	6,179
OPERATING TRANSFER FROM SPECIAL REVENUE FUND			56	56	56
NET INCOME (LOSS)	1,902	(95)	489,062	490,869	427,234
FUND BALANCES, JULY 1	8,504	5,327	2,886,529	2,900,360	2,473,126
FUND BALANCES, JUNE 30	$ 10,406	$ 5,232	$ 3,375,591	$ 3,391,229	$ 2,900,360

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
NONEXPENDABLE AND PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	NONEXPENDABLE TRUST			TOTALS FOR THE YEAR ENDED	
	STUDENT ASSISTANCE CORPORATION	BOARD OF EQUALIZATION LOAN	PENSION TRUST	JUNE 30, 1984	JUNE 30, 1983
SOURCES OF WORKING CAPITAL:					
WORKING CAPITAL PROVIDED BY NET INCOME (LOSS) FROM OPERATIONS	$ 1,902	$ (95)	$ 489,062	$ 490,869	$ 427,234
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 1,902	$ (95)	$ 489,062	$ 490,869	$ 427,234
ELEMENTS OF NET CHANGES IN WORKING CAPITAL:					
CASH	$ 2,409	$ 258	$ 98,191	$ 100,858	$ (121,851)
INVESTMENTS			356,682	356,682	630,947
RECEIVABLES	(186)	(403)	34,398	33,809	7,430
INTERFUND RECEIVABLES			73	73	(574)
WARRANTS PAYABLE	(149)		153	4	352
ACCOUNTS PAYABLE AND ACCRUALS	(171)	50	(11,165)	(11,286)	(17,255)
AMOUNTS HELD IN CUSTODY FOR OTHERS	(1)		10,730	10,729	(71,815)
NET INCREASE (DECREASE) IN WORKING CAPITAL	$ 1,902	$ (95)	$ 489,062	$ 490,869	$ 427,234

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

LOCAL GOVERNMENT FUND	BALANCE JULY 1, 1983	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1984
ASSETS				
CASH AND CASH EQUIVALENTS	$ 68,980	$ 720,086	$ 710,084	$ 78,982
LIABILITIES				
WARRANTS PAYABLE	$ 186	$ 702,423	$ 702,370	$ 239
DUE TO OTHER GOVERNMENTS	68,794	720,086	710,137	78,743
TOTAL LIABILITIES	$ 68,980	$ 1,422,509	$ 1,412,507	$ 78,982
CONTINGENT REVENUE FUND				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 55,500	$ 1,955,672	$ 1,940,121	$ 71,051
INVESTMENTS	25		25	
DUE FROM OTHER GOVERNMENTS	15,291	9,665	15,291	9,665
INTERFUND RECEIVABLES (Note 2)	5,412	5,221	5,412	5,221
TOTAL ASSETS	$ 76,228	$ 1,970,558	$ 1,960,849	$ 85,937
LIABILITIES				
WARRANTS PAYABLE	$ 2,106	$ 33,487	$ 32,933	$ 2,660
DUE TO OTHER GOVERNMENTS	41,996	405,969	405,040	42,925
AMOUNTS HELD IN CUSTODY FOR OTHERS	32,126	1,544,831	1,536,605	40,352
TOTAL LIABILITIES	$ 76,228	$ 1,984,287	$ 1,974,578	$ 85,937
TOTALS-ALL AGENCY FUNDS				
ASSETS				
CASH AND CASH EQUIVALENTS	$ 124,480	$ 2,675,758	$ 2,650,205	$ 150,033
INVESTMENTS	25		25	
DUE FROM OTHER GOVERNMENTS	15,291	9,665	15,291	9,665
INTERFUND RECEIVABLES (Note 2)	5,412	5,221	5,412	5,221
TOTAL ASSETS	$ 145,208	$ 2,690,644	$ 2,670,933	$ 164,919
LIABILITIES				
WARRANTS PAYABLE	$ 2,292	$ 735,910	$ 735,303	$ 2,899
DUE TO OTHER GOVERNMENTS	110,790	1,126,055	1,115,177	121,668
AMOUNTS HELD IN CUSTODY FOR OTHERS	32,126	1,544,831	1,536,605	40,352
TOTAL LIABILITIES	$ 145,208	$ 3,406,796	$ 3,387,085	$ 164,919

See accompanying Notes to the Financial Statements.

General Fixed Assets Account Group

The General Fixed Assets Account Group is maintained to account for fixed assets acquired for general governmental purposes. These include all fixed assets except those of the Enterprise, Internal Service and College and University Funds.

STATE OF TENNESSEE
STATEMENT OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 1984

(Expressed in Thousands)

FUNCTION AND ACTIVITY	LAND	STRUCTURES AND IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
GENERAL GOVERNMENT:				
LEGISLATIVE			$ 536	$ 536
CONSTITUTIONAL OFFICES			674	674
ADMINISTRATION	$ 10,646	$ 109,935	2,858	123,439
REVENUE	4	367	1,231	1,602
TOTAL GENERAL GOVERNMENT	10,650	110,302	5,299	126,251
EDUCATION	1,227	87,047	33,439	121,713
HEALTH AND SOCIAL SERVICES:				
VETERANS AFFAIRS			9	9
EMPLOYMENT SECURITY	647	3,529	4,519	8,695
LABOR			627	627
MENTAL HEALTH AND MENTAL RETARDATION	2,519	127,735	8,604	138,858
HEALTH AND ENVIRONMENT	200	18,451	5,661	24,312
HUMAN SERVICES	25	6,211	5,048	11,284
TOTAL HEALTH AND SOCIAL SERVICES	3,391	155,926	24,468	183,785
LAW, JUSTICE AND PUBLIC SAFETY:				
JUDICIAL	250		1,539	1,789
CORRECTION	1,586	111,611	7,946	121,143
MILITARY	1,677	36,990	863	39,530
BUREAU OF CRIMINAL INVESTIGATION		908	1,484	2,392
SAFETY	267	10,783	13,573	24,623
TOTAL LAW, JUSTICE AND PUBLIC SAFETY	3,780	160,292	25,405	189,477
RECREATION AND RESOURCES DEVELOPMENT:				
AGRICULTURE	146	4,613	776	5,535
TOURIST DEVELOPMENT			90	90
CONSERVATION	26,285	89,990	10,076	126,351
WILDLIFE RESOURCES	6,275	7,666	3,637	17,578
ECONOMIC AND COMMUNITY DEVELOPMENT			1,016	1,016
TOTAL RECREATION AND RESOURCES DEVELOPMENT	32,706	102,269	15,595	150,570
REGULATION OF BUSINESS AND PROFESSIONS:				
INSURANCE			268	268
FINANCIAL INSTITUTIONS			26	26
TOTAL REGULATION OF BUSINESS AND PROFESSIONS			294	294
TRANSPORTATION	1,842	11,415	51,760	65,017
TOTALS ALLOCATED TO FUNCTIONS	$ 53,596	$ 627,251	$ 156,260	837,107
CONSTRUCTION IN PROGRESS				8,812
TOTAL GENERAL FIXED ASSETS (Notes 1 and 2)				$ 845,919

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS, JULY 1, 1983	ADDITIONS	RETIREMENTS	GENERAL FIXED ASSETS, JUNE 30, 1984
GENERAL GOVERNMENT:				
LEGISLATIVE	$ 384	$ 165	$ 13	$ 536
CONSTITUTIONAL OFFICES	545	171	42	674
ADMINISTRATION	119,343	5,002	906	123,439
REVENUE	1,566	110	74	1,602
TOTAL GENERAL GOVERNMENT	121,838	5,448	1,035	126,251
EDUCATION	123,620	1,119	3,026	121,713
HEALTH AND SOCIAL SERVICES:				
VETERANS AFFAIRS	9			9
EMPLOYMENT SECURITY	6,255	4,175	1,735	8,695
LABOR	338	295	6	627
MENTAL HEALTH AND MENTAL RETARDATION	136,798	2,438	378	138,858
PUBLIC HEALTH	24,282	1,034	1,004	24,312
HUMAN SERVICES	11,038	487	241	11,284
TOTAL HEALTH AND SOCIAL SERVICES	178,720	8,429	3,364	183,785
LAW, JUSTICE AND PUBLIC SAFETY:				
JUDICIAL	1,746	60	17	1,789
CORRECTION	116,635	6,834	2,326	121,143
MILITARY	35,165	4,408	43	39,530
BUREAU OF CRIMINAL INVESTIGATION	2,344	66	18	2,392
SAFETY	21,835	3,633	845	24,623
TOTAL LAW, JUSTICE AND PUBLIC SAFETY	177,725	15,001	3,249	189,477
RECREATION AND RESOURCES DEVELOPMENT:				
AGRICULTURE	5,399	138	2	5,535
TOURIST DEVELOPMENT	77	13		90
CONSERVATION	124,302	2,379	330	126,351
WILDLIFE RESOURCES	17,159	569	150	17,578
ECONOMIC AND COMMUNITY DEVELOPMENT	1,036	40	60	1,016
TOTAL RECREATION AND RESOURCES DEVELOPMENT	147,973	3,139	542	150,570
REGULATION OF BUSINESS AND PROFESSIONS:				
INSURANCE	224	49	5	268
FINANCIAL INSTITUTIONS	21	5		26
TOTAL REGULATION OF BUSINESS AND PROFESSIONS	245	54	5	294
TRANSPORTATION	63,012	4,951	2,946	65,017
CONSTRUCTION IN PROGRESS	5,923	18,060	15,171	8,812
TOTAL GENERAL FIXED ASSETS (Notes 1 and 2)	$ 819,056	$ 56,201	$ 29,338	$ 845,919

See accompanying Notes to the Financial Statements.

General Long-Term Obligations Account Group

The General Long-Term Obligations Account Group is maintained to account for the outstanding principal balances of the State's general obligation bonds and accrued annual and compensatory leave for employees that are paid from the Governmental Fund Types.

STATE OF TENNESSEE
STATEMENT OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	BALANCE JULY 1, 1983	GENERAL OBLIGATION BONDS RETIRED	DEBT SERVICE FUND OPERATIONS	INCREASE IN ACCRUED LEAVE	BALANCE JUNE 30, 1984
AMOUNT AVAILABLE IN DEBT SERVICE FUND	$ 2,143		$4,431		$ 6,574
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM OBLIGATIONS	630,771	$ 52,625	(4,431)	$ 2,397	576,112
TOTAL AVAILABLE AND TO BE PROVIDED	$632,914	$ 52,625	$ -	$ 2,397	$ 582,686
ACCRUED ANNUAL AND COMPENSATORY LEAVE	$ 49,469			$ 2,397	$ 51,866
GENERAL OBLIGATION DEBT PAYABLE (Note 3)	583,445	$ 52,625			530,820
TOTAL GENERAL LONG-TERM OBLIGATIONS	$632,914	$ 52,625	$ -	$ 2,397	$ 582,686

See accompanying Notes to the Financial Statements.

College And University Funds

The College and University Funds are used to account for all transactions relating to public institutions of higher education and the state's area vocational-technical schools. These include seven universities, ten community colleges, four technical institutes and twenty-seven area vocational schools. These institutions maintain their own financial records which are not a part of the central accounting system operated by the Department of Finance and Administration.

Two governing boards are responsible for the operations of these institutions - the University of Tennessee Board of Trustees and the State Board of Regents. Coordination between these boards for such things as budgetary and capital outlay requests, the need for and location of new education institutions, and the approval of new academic and degree programs is provided by the Tennessee Higher Education Commission.

The University of Tennessee Board of Trustees - The University of Tennessee was first established in 1794 by the Legislature of the Federal Territory. Since that time it has grown into an institution of twenty-four different colleges and schools. The locations of its four primary campuses, various experimental stations and extension services have made the university state-wide in physical presence as well as in services. The main campus is located in Knoxville. The other primary campuses are located in Memphis, Martin and Chattanooga.

The State Board of Regents - The State University and Community College System of Tennessee was created by the General Assembly in 1972. Its member institutions (six universities, ten community colleges, four technical institutes and twenty-seven area vocational-technical schools) serve the state and its citizenry by providing education opportunities, research, continuing education and public activities. As a system, the institutions span the state and operate as a coordinated network of public education with each campus offering unique characteristics and services. The system consists of the following institutions:

UNIVERSITIES

Austin Peay State University	Clarksville
East Tennessee State University	Johnson City
Memphis State University	Memphis
Middle Tennessee State University	Murfreesboro
Tennessee State University	Nashville
Tennessee Technological University	Cookeville

COMMUNITY COLLEGES

Chattanooga State Technical Community College	Chattanooga
Cleveland State Community College	Cleveland
Columbia State Community College	Columbia
Dyersburg State Community College	Dyersburg
Jackson State Community College	Jackson
Motlow State Community College	Tullahoma
Roane State Community College	Harriman
Shelby State Community College	Memphis
Volunteer State Community College	Gallatin
Walters State Community College	Morristown

The community college movement is relatively new in Tennessee. Emerging from legislative study in the early 1960's, nine of the ten existing colleges were established by the General Assembly between 1965 and 1969. The locations of these institutions were determined by population need patterns. An act of the 1973 General Assembly changed the Chattanooga State Technical Institute to Chattanooga State Technical Community College, representing the 10th community college in the state. A broad range of two-year associate degree programs and one-to-two year certificate of proficiency programs is offered by each college.

STATE TECHNICAL INSTITUTES

Effective July 1, 1983 the governance of the state technical institutes was transferred from the State Department of Education to the State Board of Regents. The names and locations of the state technical institutes are:

Nashville State Technical Institute	Nashville
State Technical Institute at Knoxville	Knoxville
State Technical Institute at Memphis	Memphis
Tri-Cities State Technical Institute	Blountville

Various two-year associate degree programs are available at the technical institutes. In addition, special industrial and community service courses are offered as the demand arises from interested groups.

STATE AREA VOCATIONAL-TECHNICAL SCHOOLS

The state area vocational-technical schools were transferred from the State Department of Education to the State Board of Regents effective July 1, 1983. The twenty-seven area schools are located in the following Tennessee cities:

Athens	McMinnville
Chattanooga	Memphis
Covington	Morristown
Crossville	Murfreesboro
Dickson	Nashville
Elizabethton	Newbern
Harriman	Oneida
Hartsville	Paris
Hohenwald	Pulaski
Jacksboro	Ripley
Jackson	Savannah
Knoxville	Shelbyville
Livingston	Whiteville
McKenzie	

The purpose of the area vocational-technical schools is to provide occupational and technical training for current and future employees of existing and prospective industries and businesses of this state.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	CURRENT	FIDUCIARY	PLANT	ELIMINATIONS	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$126,085	$ 8,256	$ 49,148		$ 183,489	$ 181,614
CASH ON DEPOSIT WITH FISCAL AGENTS			26,930		26,930	30,599
INVESTMENTS	834	51,229	225		52,288	43,752
RECEIVABLES (Note 1)	55,132	38,456	10,491		104,079	96,952
INTERFUND RECEIVABLES (Note 2)	2,989	971	5,136	$ (5,359)	3,737	8,086
INVENTORIES	16,334				16,334	16,116
LAND			49,433		49,433	49,291
STRUCTURES AND IMPROVEMENTS			1,012,224		1,012,224	970,708
MACHINERY AND EQUIPMENT (Note 1)			376,007		376,007	330,539
CONSTRUCTION IN PROGRESS			21,679		21,679	25,573
DEFERRED CHARGES AND OTHER	2,406	1,258	205		3,869	3,749
TOTAL ASSETS	$203,780	$ 100,170	$1,551,478	$ (5,359)	$ 1,850,069	$ 1,756,979
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	$ 71,038	$ 6	$ 3,183		$ 74,227	$ 60,889
INTERFUND PAYABLES (Note 2)	11,970	321	150	$ (5,359)	7,082	6,061
NOTES PAYABLE (Note 3)		16	2,067		2,083	2,104
BONDS PAYABLE (Note 3)			238,709		238,709	243,881
LEASE OBLIGATIONS PAYABLE (Note 3)			16,842		16,842	16,192
OTHER	29,405	5,632			35,037	31,378
TOTAL LIABILITIES	112,413	5,975	260,951	(5,359)	373,980	360,505
FUND EQUITY (Note 2):						
INVESTMENT IN FIXED ASSETS			1,201,601		1,201,601	1,115,268
FUND BALANCES (Note 1):						
RESERVED FOR:						
RELATED ASSETS	35,599				35,599	39,840
ENCUMBRANCES AND CONTRACTS	13,970				13,970	6,691
OTHER SPECIFIC PURPOSES	28,966	90,484	33,256		152,706	157,358
UNRESERVED:						
DESIGNATED FOR TRUST PURPOSES		3,711			3,711	3,448
DESIGNATED FOR COLLEGES AND UNIVERSITIES	12,832		55,670		68,502	73,869
TOTAL FUND EQUITY	91,367	94,195	1,290,527		1,476,089	1,396,474
TOTAL LIABILITIES AND FUND EQUITY	$203,780	$ 100,170	$1,551,478	$ (5,359)	$ 1,850,069	$ 1,756,979

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY CURRENT FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	UNRESTRICTED GENERAL	UNRESTRICTED AUXILIARY ENTERPRISES AND HOSPITALS	UNRESTRICTED TOTAL	RESTRICTED	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$ 87,142	$ 27,286	$114,428	$ 11,657	$ 126,085	$ 111,328
INVESTMENTS, at cost				834	834	838
ACCOUNTS RECEIVABLE, net of allowance for uncollectibles of $10,115 in 1984 and $8,112 in 1983 (Note 1)	9,850	28,332	38,182	16,940	55,122	57,423
NOTES RECEIVABLE				10	10	25
INTERFUND RECEIVABLES	2,174		2,174	815	2,989	16,146
INVENTORIES, at cost	6,401	9,876	16,277	57	16,334	16,116
DEFERRED CHARGES	1,582	77	1,659		1,659	1,531
OTHER	126	317	443	304	747	344
TOTAL ASSETS	$107,275	$ 65,888	$173,163	$ 30,617	$ 203,780	$ 203,751
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
ACCOUNTS PAYABLE	$ 6,446	$ 14,844	$ 21,290	$ 1,570	$ 22,860	$ 15,679
ACCRUED LIABILITIES	44,198	3,760	47,958	220	48,178	42,591
INTERFUND PAYABLES	11,216		11,216	754	11,970	25,037
DEPOSITS AND ADVANCE PAYMENTS	1,031	1,000	2,031	80	2,111	1,840
DEFERRED REVENUE	14,113	7,757	21,870		21,870	21,223
OTHER	4,239	1,185	5,424		5,424	3,084
TOTAL LIABILITIES	81,243	28,546	109,789	2,624	112,413	109,454
FUND BALANCES (Notes 1 and 2):						
ALLOCATED:						
NON-DISCRETIONARY:						
ALLOCATION FOR WORKING CAPITAL		35,599	35,599		35,599	39,840
ALLOCATION FOR ENCUMBRANCES	12,475	1,495	13,970		13,970	6,691
OTHER ALLOCATIONS	973		973	27,993	28,966	25,737
DISCRETIONARY	11,201	3,164	14,365		14,365	18,080
UNALLOCATED	1,383	(2,916)	(1,533)		(1,533)	3,949
TOTAL FUND BALANCES	26,032	37,342	63,374	27,993	91,367	94,297
TOTAL LIABILITIES AND FUND BALANCES	$107,275	$ 65,888	$173,163	$ 30,617	$ 203,780	$ 203,751

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL COLLEGE AND UNIVERSITY CURRENT FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	UNRESTRICTED	RESTRICTED	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	JUNE 30, 1983
REVENUES:				
TUITION AND FEES	$ 125,205		$ 125,205	$ 124,235
FEDERAL APPROPRIATIONS	19,699		19,699	18,025
LOCAL APPROPRIATIONS	1,200		1,200	1,015
FEDERAL GRANTS AND CONTRACTS	9,608	$ 96,617	106,225	92,661
STATE GRANTS AND CONTRACTS	941	11,473	12,414	9,225
LOCAL GRANTS AND CONTRACTS	1,108	2,199	3,307	3,698
PRIVATE GIFTS, GRANTS AND CONTRACTS	3,100	29,519	32,619	30,728
ENDOWMENT INCOME	62	3,333	3,395	3,058
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	25,838		25,838	22,426
SALES AND SERVICES OF AUXILIARY ENTERPRISES AND HOSPITALS	192,521	2,738	195,259	194,191
OTHER SOURCES	20,900	34	20,934	17,603
TOTAL REVENUES	400,182	145,913	546,095	516,865
EXPENDITURES:				
EDUCATIONAL AND GENERAL:				
INSTRUCTION	266,657	79,075	345,732	321,949
RESEARCH	17,303	37,291	54,594	50,377
PUBLIC SERVICE	26,715	23,421	50,136	44,634
ACADEMIC SUPPORT	51,204	12,108	63,312	60,756
STUDENT SERVICES	42,018	6,248	48,266	45,356
INSTITUTIONAL SUPPORT	63,083	11,129	74,212	72,825
OPERATION AND MAINTENANCE OF PLANT	63,299	5,518	68,817	64,229
SCHOLARSHIPS AND FELLOWSHIPS	5,478	38,532	44,010	40,601
AUXILIARY ENTERPRISES AND HOSPITALS	173,201	2,738	175,939	170,290
TOTAL EXPENDITURES	708,958	216,060	925,018	871,017
EXCESS OF EXPENDITURES OVER REVENUES	(308,776)	(70,147)	(378,923)	(354,152)
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS):				
MANDATORY TRANSFERS FOR:				
RESTRICTED CURRENT	23	(23)		
LOAN FUND MATCHING AND ENDOWMENTS	(202)	192	(10)	(183)
RENEWALS AND REPLACEMENTS	(23)		(23)	(26)
PRINCIPAL AND INTEREST	(11,482)		(11,482)	(9,391)
NON-MANDATORY TRANSFERS FOR PLANT FUNDS	(12,287)	(555)	(12,842)	(12,012)
OPERATING TRANSFER FROM GENERAL FUND	325,607	70,147	395,754	381,165
TOTAL TRANSFERS	301,636	69,761	371,397	359,553
EXCESS OF RESTRICTED RECEIPTS OVER TRANSFERS TO REVENUES		15,354	15,354	11,817
INDIRECT COSTS RECOVERED		(10,855)	(10,855)	(9,578)
REFUNDS TO GRANTORS		(225)	(225)	(553)
MISCELLANEOUS	858	(536)	322	(558)
TOTAL TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)	302,494	73,499	375,993	360,681
NET INCREASE (DECREASE) IN FUND BALANCES	(6,282)	3,352	(2,930)	6,529
FUND BALANCES, JULY 1	69,656	24,641	94,297	87,768
FUND BALANCES, JUNE 30	$ 63,374	$ 27,993	$ 91,367	$ 94,297

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FIDUCIARY FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	LOAN	ENDOWMENT AND SIMILAR	AGENCY	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$ 2,918	$ 4,745	$ 593	$ 8,256	$ 10,566
INVESTMENTS, at cost or amortized cost	804	46,693	3,732	51,229	42,691
ACCOUNTS RECEIVABLE	755	46	648	1,449	1,193
NOTES RECEIVABLE, net of allowance for uncollectibles of $6,696 in 1984 and $4,926 in 1983	35,859	1,148		37,007	37,744
INTERFUND RECEIVABLES			971	971	133
OTHER	79	1,173	6	1,258	1,197
TOTAL ASSETS	$ 40,415	$ 53,805	$ 5,950	$100,170	$ 93,530
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE			$ 6	$ 6	$ 264
INTERFUND PAYABLES		$ 9	312	321	54
NOTES PAYABLE (Note 3)		16		16	16
AMOUNTS HELD IN CUSTODY FOR OTHERS			5,632	5,632	5,231
TOTAL LIABILITIES		25	5,950	5,975	5,565
FUND BALANCES (Note 1):					
U. S. GOVERNMENT GRANTS REFUNDABLE	$ 33,457			33,457	33,744
INSTITUTIONAL FUNDS - RESTRICTED	6,923			6,923	6,568
ENDOWMENT		36,531		36,531	31,381
TERM ENDOWMENT		6		6	
LIFE INCOME		13,567		13,567	12,824
INSTITUTIONAL FUNDS - UNRESTRICTED	35			35	28
QUASI - ENDOWMENT		3,676		3,676	3,420
TOTAL FUND BALANCES	40,415	53,780		94,195	87,965
TOTAL LIABILITIES AND FUND BALANCES	$ 40,415	$ 53,805	$ 5,950	$100,170	$ 93,530

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FUND BALANCES
ALL COLLEGE AND UNIVERSITY FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	LOAN	ENDOWMENT AND SIMILAR	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	TOTALS FOR THE YEAR ENDED JUNE 30, 1983
REVENUES AND OTHER ADDITIONS:				
FEDERAL GRANTS AND CONTRACTS	$ 1,501		$ 1,501	$ 1,474
PRIVATE GIFTS AND GRANTS	227	$ 4,268	4,495	3,272
INVESTMENT AND INTEREST INCOME	1,006	2,867	3,873	3,920
OTHER ADDITIONS	312	21	333	277
TOTAL REVENUES AND OTHER ADDITIONS	3,046	7,156	10,202	8,943
EXPENDITURES AND OTHER DEDUCTIONS:				
ADMINISTRATIVE COSTS	389		389	222
LOAN CANCELLATIONS	683		683	3,193
REFUNDS TO GRANTORS	45		45	31
PAYMENTS TO BENEFICIARIES		837	837	786
BAD DEBT EXPENSE	341		341	
OTHER DEDUCTIONS	1,658	27	1,685	261
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	3,116	864	3,980	4,493
TRANSFER AMONG FUNDS - ADDITIONS (DEDUCTIONS)	145	(137)	8	200
NET INCREASE IN FUND BALANCES	75	6,155	6,230	4,650
FUND BALANCES, JULY 1	40,340	47,625	87,965	83,315
FUND BALANCES, JUNE 30	$ 40,415	$ 53,780	$ 94,195	$ 87,965

See accompanying Notes to the Financial Statements.

STATE OF TENNESSEE
COMBINING BALANCE SHEET
ALL COLLEGE AND UNIVERSITY PLANT FUNDS
JUNE 30, 1984

(Expressed in Thousands)

ASSETS	UNEXPENDED	RENEWAL AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	TOTALS JUNE 30, 1984	TOTALS JUNE 30, 1983
CASH AND CASH EQUIVALENTS	$ 15,903	$ 17,792	$ 15,453		$ 49,148	$ 58,720
CASH ON DEPOSIT WITH FISCAL AGENTS		1,329	25,601		26,930	30,599
INVESTMENTS, at cost or amortized cost	225				225	223
ACCOUNTS RECEIVABLE	10,405	49	37		10,491	581
INTERFUND RECEIVABLES	3,704	1,432			5,136	10,932
LAND, at cost				$ 49,433	49,433	49,291
BUILDINGS, at cost				941,664	941,664	909,379
IMPROVEMENTS OTHER THAN BUILDINGS, at cost				70,560	70,560	61,329
EQUIPMENT, at cost				218,907	218,907	196,277
LIBRARY BOOKS (Note 1)				155,095	155,095	132,137
LIVESTOCK, at market				2,005	2,005	2,125
CONSTRUCTION IN PROGRESS, at cost				21,679	21,679	25,573
OTHER ASSETS			130	75	205	677
TOTAL ASSETS	$ 30,237	$ 20,602	$ 41,221	$ 1,459,418	$ 1,551,478	$ 1,478,823
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
ACCOUNTS PAYABLE	$ 1,892	$ 489		$ 802	$ 3,183	$ 2,355
INTERFUND PAYABLES	15	135			150	95
NOTES PAYABLE (Note 3)	28	575		1,464	2,067	2,088
BONDS PAYABLE (Note 3)				238,709	238,709	243,881
LEASE OBLIGATIONS PAYABLE (Note 3)				16,842	16,842	16,192
TOTAL LIABILITIES	1,935	1,199		257,817	260,951	264,611
FUND EQUITY:						
NET INVESTMENT IN PLANT				1,201,601	1,201,601	1,115,268
FUND BALANCES (Note 1):						
RESTRICTED	5,468	2,166	$ 25,622		33,256	47,104
UNRESTRICTED	22,834	17,237	15,599		55,670	51,840
TOTAL FUND EQUITY	28,302	19,403	41,221	1,201,601	1,290,527	1,214,212
TOTAL LIABILITIES AND FUND EQUITY	$ 30,237	$ 20,602	$ 41,221	$ 1,459,418	$ 1,551,478	$ 1,478,823

STATE OF TENNESSEE
COMBINING STATEMENT OF CHANGES IN FUND EQUITY
ALL COLLEGE AND UNIVERSITY PLANT FUNDS
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

	UNEXPENDED	RENEWAL AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	ELIMINATIONS	TOTALS FOR THE YEAR ENDED JUNE 30, 1984	TOTALS FOR THE YEAR ENDED JUNE 30, 1983
REVENUES AND OTHER ADDITIONS:							
STUDENT DEBT SERVICE FEES		$ 20	$ 4,412			$ 4,432	$ 4,306
FEDERAL GRANTS	$ 76		410	$ 314		800	2,222
PRIVATE GIFTS AND CONTRACTS	1,046	162	366	452		2,026	13,048
INTEREST INCOME	1,602	995	4,259			6,856	5,307
EQUIPMENT USE CHARGES		1,649				1,649	1,929
CAPITALIZED EXPENDITURES				103,302	$ (45,042)	58,260	40,885
RETIREMENT OF INDEBTEDNESS		432		4,851	(5,283)		
OTHER	1		133	1,001		1,135	2,621
TOTAL REVENUES AND OTHER ADDITIONS	2,725	3,258	9,580	109,920	(50,325)	75,158	70,318
EXPENDITURES AND OTHER DEDUCTIONS:							
EXPENDED FOR PLANT FACILITIES	38,219	6,573			(44,792)		
RETIREMENT OF INDEBTEDNESS		9	5,274		(5,283)		
INTEREST PAYMENTS		1	16,706			17,317	11,442
DISPOSAL OF PLANT FACILITIES				610		21,236	39,980
BONDS AND NOTES ISSUED				21,236			
OTHER	3,064	32	1,254	250	(250)	5,841	589
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	41,283	6,615	23,234	1,491		44,394	52,011
TRANSFERS AMONG FUNDS - ADDITIONS	24,199	7,151	14,201	23,587	(50,325)	45,551	42,613
NET INCREASE (DECREASE) IN FUND EQUITY	(14,359)	3,794	547	86,333		76,315	60,920
FUND EQUITY, JULY 1	42,661	15,609	40,674	1,115,268		1,214,212	1,153,292
FUND EQUITY, JUNE 30	$ 28,302	$ 19,403	$ 41,221	$ 1,201,601	$ -	$ 1,290,527	$ 1,214,212

See accompanying Notes to the Financial Statements.

Statistical And Economic Data

The Statistical Data are presented to give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit. Economic Data are presented to allow a broader understanding of the economic and social environment in which State government operates.

TABLE I

STATE OF TENNESSEE
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

	FOR THE YEAR ENDED JUNE 30									
SOURCE	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
TAXES	$1,021,278	$1,137,469	$1,370,729	$1,553,452	$1,680,202	$1,729,897	$1,800,431	$1,959,263	$2,047,603	$2,295,044
LICENSES, FEES AND PERMITS	24,003	27,042	29,095	33,688	35,602	38,260	40,359	45,283	47,601	60,320
INTEREST ON INVESTMENTS	38,250	26,478	23,669	29,116	52,994	72,354	60,975	71,243	62,981	56,567
FEDERAL	542,773	664,417	712,770	812,669	925,536	1,104,412	1,174,990	1,039,894	1,062,387	1,308,304
DEPARTMENTAL SERVICES	102,630	114,423	131,167	139,126	138,246	168,282	179,939	194,046	201,550	215,753
OTHER	1,429	3,040	4,503	5,580	5,246	10,083	7,817	13,234	10,148	9,369
TOTAL REVENUES-ALL GOVERNMENTAL FUND TYPES	$1,730,363	$1,972,869	$2,271,933	$2,573,631	$2,837,826	$3,123,288	$3,264,511	$3,322,963	$3,432,270	$3,945,356

TABLE II

STATE OF TENNESSEE
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

	FOR THE YEAR ENDED JUNE 30									
FUNCTION	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
GENERAL GOVERNMENT	$ 83,033	$ 86,741	$ 141,814	$ 142,727	$ 134,539	$ 174,117	$ 179,184	$ 153,618	$ 134,967	$ 134,998
EDUCATION	561,447	601,645	640,863	721,100	823,474	916,165	964,925	981,371	970,362	981,080
HEALTH AND SOCIAL SERVICES	458,875	541,871	609,235	750,400	825,890	959,620	1,028,512	1,035,710	1,105,524	1,295,742
LAW, JUSTICE AND PUBLIC SAFETY	72,563	82,143	99,592	115,607	128,982	145,516	162,715	176,964	193,465	212,925
RECREATION AND RESOURCES DEVELOPMENT	38,763	39,662	44,994	53,427	56,941	64,538	68,366	71,031	77,842	112,285
REGULATION OF BUSINESS AND PROFESSIONS	7,255	7,920	9,900	11,786	12,722	13,808	14,245	15,330	16,643	13,566
TRANSPORTATION	315,726	386,838	329,844	311,769	392,202	479,599	447,850	429,587	427,695	544,367
DEBT SERVICE	47,037	56,518	76,566	80,748	80,873	78,104	80,774	85,487	91,596	87,640
CAPITAL OUTLAY	61,582	114,755	83,314	59,653	56,681	58,554	52,954	41,280	25,405	31,537
TOTAL EXPENDITURES-ALL GOVERNMENTAL FUND TYPES	$1,646,281	$1,918,093	$2,036,122	$2,247,217	$2,512,304	$2,890,021	$2,999,525	$2,990,378	$3,043,499	$3,414,140

STATE OF TENNESSEE
TAX REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands)

	FOR THE YEAR ENDED JUNE 30									
TAX REVENUES	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
SALES AND USE	$ 440,671	$ 516,214	$ 690,079	$ 785,143	$ 886,515	$ 924,007	$ 981,106	$1,050,605	$1,106,186	$1,277,101
GASOLINE	88,110	92,302	96,153	99,101	103,003	94,167	90,511	115,758	115,398	115,270
MOTOR FUEL	12,669	14,363	16,271	18,104	20,005	19,646	20,516	30,923	31,869	35,499
GASOLINE INSPECTION	29,924	30,597	22,202	23,398	23,961	20,062	18,693	17,838	18,244	19,688
MOTOR VEHICLE REGISTRATION	73,440	77,906	85,809	84,301	89,894	90,761	89,785	105,635	104,607	111,892
INCOME	13,138	15,759	15,791	17,368	18,181	21,403	24,613	30,345	35,521	37,288
PRIVILEGE	12,895	17,099	21,218	25,385	28,407	28,473	28,291	26,445	29,072	37,855
GROSS RECEIPTS	30,056	37,820	38,463	66,581	71,616	77,051	89,032	99,242	105,787	110,740
ALCOHOLIC BEVERAGE	19,768	20,802	21,294	22,249	22,745	23,217	23,249	23,972	24,106	43,490
FRANCHISE	29,826	31,267	32,249	37,749	41,001	43,938	45,705	49,511	56,741	69,483
EXCISE	126,715	128,621	156,042	170,848	186,089	198,222	193,365	206,535	202,558	229,892
INHERITANCE AND ESTATE	27,538	30,683	41,247	57,588	37,493	28,307	26,674	28,639	36,208	36,426
TOBACCO	62,820	65,896	67,829	70,767	72,029	73,819	77,058	78,442	78,338	76,874
INSURANCE COMPANIES PREMIUM	34,483	37,657	43,525	50,033	55,444	60,006	62,143	63,927	67,345	71,592
OTHER	19,225	20,483	22,557	24,837	23,819	26,818	29,690	31,446	35,623	21,954
TOTAL TAX REVENUES-ALL GOVERNMENTAL FUND TYPES	$1,021,278	$1,137,469	$1,370,729	$1,553,452	$1,680,202	$1,729,897	$1,800,431	$1,959,263	$2,047,603	$2,295,044

STATE OF TENNESSEE
DESCRIPTION OF TAX SOURCES
ALL GOVERNMENTAL FUND TYPES
JUNE 30, 1984

Presented below is a brief description of the state's principal tax sources as shown in the preceding table. Since portions of some of these taxes are ultimately distributed to local governments, the preceding table reflects only those tax collections retained for state purposes.

SALES AND USE TAX - The retail sales and use tax, imposed in 1947, has become the state's leading source of revenue. From enactment until 1955, the general sales tax rate was 2%. Rates were subsequently increased by temporary and permanent components until, effective May 20, 1983, the 4.5% rate was made permanent. Effective April 1, 1984 the rate was temporarily increased to 5.5%, and is scheduled to revert to 4.5% on July 1, 1985 unless extended. The tax is applied to the sale, use, consumption, distribution, lease or rental of tangible personal property and, effective June 1, 1984, was extended to include most admission and amusement charges. Sales tax on unprepared food and food products will be lowered to 3.75% effective June 1, 1985, 2% effective June 1, 1986 and eliminated June 1, 1987. Certain services including charges for transient accommodations, storage and parking, and telephone service for regular subscribers are also subject to sales tax. Utilities and anti-pollution equipment are taxed at rates ranging from 1% to 1.5%. Political subdivisions, governmental agencies, charitable and religious groups, non-profit organizations and certain items of tangible personal property including drugs are exempt.

GASOLINE TAX - The gasoline tax was first enacted in 1923. The tax is levied at the rate of 9¢ on each gallon of gasoline or distillate refined, manufactured, sold, stored or distributed in Tennessee, as well as gasoline or distillate imported into the state. Refunds are granted on gasoline used for agricultural purposes, while political subdivisions and governmental agencies are exempt.

MOTOR FUEL TAX - The motor fuel tax was enacted in 1941. The tax is imposed at the rate of 12¢ per gallon on the sale of diesel fuel and 8¢ per gallon on liquified petroleum gas used to propel vehicles on the public highways. Exemptions applicable to the gasoline tax are also generally applicable to the motor fuel tax.

GASOLINE INSPECTION FEE - The gasoline inspection fee was first enacted in 1899 for the purpose of assuring that gasoline and oil sold in the state met certain minimum standards. Currently, the rate is 1¢ per gallon on volatile substances having certain gravity level which are produced from petroleum, natural gas, oil shales or coal.

MOTOR VEHICLE REGISTRATION FEES - Since 1905 a fee has been charged for the registration of all motor vehicles. Vehicles for personal use are charged $17.75. The fee for motorcycles is $8.75. Motor freight vehicles are charged fees ranging from $37.50 to $1,300.

INCOME TAX - Although Tennessee does not levy a general personal income tax, income derived from dividends and interest on stocks and bonds has been subject to tax since 1929. The tax rate is 6% on dividends from stocks and interest on bonds, except that the rate is only 4% on dividends from companies having more than 75% of their corporate property within the state. Blind persons, pension trusts, profit-sharing trusts and qualifying persons 65 years of age or older are exempt from the tax.

PRIVILEGE TAX - The first state privilege tax in Tennessee was levied in 1799. During the ensuing 150 years, 132 business activities were made subject to the tax. Virtually all of these business-related privilege taxes were abolished in 1971 and re-enacted as part of other taxes. Currently, the privilege tax base is provided from litigation taxes, realty transfer and mortgage taxes.

GROSS RECEIPTS TAXES - There have been numerous additions, deletions and alterations in the group of taxable privileges comprising the gross receipts tax since it was first imposed in 1937. Currently, the tax covers bottlers, mixing bars, utilities, firearms and vending machines. TVA payments "in lieu of taxes" based on power sales in Tennessee make up 70% of collections.

ALCOHOLIC BEVERAGE TAX - The alcoholic beverage tax was enacted in 1939, authorizing the sale of alcoholic beverages in counties and municipalities in Tennessee if approved by local referendum. It provided for a system of state licensing fees and established a gallonage tax on wines and liquors sold in the state. Currently, the tax is levied at the rate of $4.00 per gallon on distilled spirits and $1.10 per gallon on wines, with additional fees for regulatory purposes and for the issuance of licenses and permits.

FRANCHISE TAX - The franchise tax, first collected in 1937, imposes an annual tax for the privilege of engaging in corporate form in the state. The tax is levied at the rate of $2.50 per $1,000 of corporate stock, surplus and undivided profits of domestic and foreign corporations operating in Tennessee.

EXCISE TAX - The excise tax originated in 1923 and has always been a major revenue source. The tax is presently applied at the rate of 6% of annual net earnings from business done in Tennessee by all corporations, co-operatives conducted for profit, joint stock associations, business trusts, state banks, national banks and savings and loan associations. Formulas are used for determining the appropriate tax for corporations doing business in Tennessee as well as other states.

INHERITANCE, ESTATE AND GIFT TAXES - The inheritance tax was first enacted in 1891. Originally the tax was applicable only to property going to collateral heirs, but was extended to direct heirs in 1909. The rate and base are divided into two different classes and apply to all property, real and personal, with certain exemptions applicable to each class. During the 1978 and 1983 sessions of the General Assembly extensive changes were made in the inheritance, estate and gift tax statutes (Chapter 731, Public Acts, 1978 and Chapter 237, Public Acts, 1983). These changes have resulted in substantial decreases in collections.

TOBACCO TAXES - Tobacco taxes were first levied in 1925. The present tax equates to 13¢ per pack of 20 cigarettes and 6% of the wholesale cost for all other tobacco products.

COIN-OPERATED AMUSEMENT TAX - This tax, first enacted in 1983, is applied to any coin or token-operated machine which affords music, amusement or entertainment without vending any merchandise. The annual tax is $100 per device, which may be prorated for machines placed in operation after October in any year.

INSURANCE COMPANY PREMIUM TAX - This tax, first enacted in 1945, is applied to gross premiums paid by or for policyholders residing in this state or on property located in the state. The rate is 1.75% for domestic life insurance companies, 2% for foreign life insurance companies and, effective January 1, 1984, 2.5% for property and casualty insurance companies.

TABLE IV

STATE OF TENNESSEE
RATIO OF NET GENERAL LONG-TERM DEBT TO
ASSESSED VALUE AND NET DEBT PER CAPITA
FOR THE LAST TEN YEARS

(Expressed in Thousands except Ratio and Per Capita Data)

FOR THE YEAR ENDED JUNE 30	POPULATION	ASSESSED VALUE	GENERAL LONG-TERM DEBT			NET GENERAL LONG-TERM DEBT	
			TOTAL (NOTE)	LESS DEBT SERVICE FUND	NET	RATIO TO ASSESSED VALUE	PER CAPITA
1975	4,261	$10,883,800	$529,470	$ 607	$528,863	4.86%	$124.12
1976	4,329	11,380,700	642,960	1,115	641,845	5.64	148.27
1977	4,402	11,904,000	639,750	3,805	635,945	5.34	144.47
1978	4,462	12,739,400	698,940	1,800	697,140	5.47	156.24
1979	4,533	13,591,900	650,730	2,461	648,269	4.77	143.01
1980	4,602	16,647,800	603,020	2,821	600,199	3.61	130.42
1981	4,612	17,350,600	590,195	2,897	587,298	3.38	127.34
1982	4,633	18,642,000	539,070	2,436	536,634	2.88	115.83
1983	4,678	21,915,500	583,445	2,143	581,302	2.65	124.26
1984	4,722	25,800,000 (EST.)	530,820	6,574	524,246	2.03	111.02

NOTE: Total General Long-Term Debt does not include State Loan Program Fund General Obligation Notes and Bonds as follows:

YEAR	NOTES	BONDS
1975	$40,000	
1976	69,800	
1977	95,000	$52,095
1978	43,375	50,905
1979	65,000	49,650
1980	44,000	48,330
1981	49,490	79,995
1982		78,270
1983		76,205
1984		73,930

These obligations are reported as debt of that enterprise in the accompanying financial statements.

TABLE V

STATE OF TENNESSEE
COMPUTATION OF LEGAL DEBT SERVICE MARGIN
JUNE 30, 1984

(Expressed in Thousands)

LEGAL DEBT SERVICE LIMIT (1984 PLEDGED REVENUES OF $268,269 ÷ 150%)	$178,846
LESS - 1984 DEBT SERVICE REQUIRED ON ALL GENERAL LONG-TERM DEBT, INCLUDING STATE LOAN PROGRAM FUND GENERAL OBLIGATION BONDS	(94,351)
LEGAL DEBT SERVICE MARGIN	$ 84,495

	PORTION PLEDGED	COLLECTIONS FOR FISCAL YEAR 1984			PLEDGED	
		ALL GOVERNMENTAL FUND TYPES	LOCAL GOVERNMENT FUND	TOTAL	PER CENT	AMOUNT
CALCULATION OF 1984 PLEDGED REVENUES, AS ABOVE:						
GASOLINE TAX	5¢ of the 9¢ tax per gallon	$ 115,270	$ 84,774	$ 200,044	55.5%	$111,135
GASOLINE INSPECTION FEE	All	19,688	12,017	31,705	100.0	31,705
MOTOR VEHICLE REGISTRATION FEE	One-half	111,892		111,892	50.0	55,946
FRANCHISE TAX	All	69,483		69,483	100.0	69,483
TOTALS		$ 316,333	$ 96,791	$ 413,124		$268,269

NOTE: Pledged revenues for the last five years are shown below:

FISCAL YEAR	PLEDGED REVENUES	PER CENT INCREASE (DECREASE)
1980	$238,206	(4.6)%
1981	233,580	(1.9)
1982	243,944	4.4
1983	250,595	2.7
1984	268,269	7.1

TABLE VI

STATE OF TENNESSEE
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL
LONG-TERM DEBT TO TOTAL EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands except Ratio Data)

FOR THE YEAR ENDED JUNE 30	DEBT SERVICE	TOTAL EXPENDITURES	RATIO
1975	$47,037	$1,646,281	2.86%
1976	56,518	1,918,093	2.95
1977	76,566	2,036,122	3.76
1978	80,748	2,247,217	3.59
1979	80,873	2,512,304	3.22
1980	78,104	2,890,021	2.70
1981	80,774	2,999,525	2.69
1982	85,487	2,990,378	2.86
1983	91,596	3,064,039	2.99
1984	87,640	3,414,140	2.57

TABLE VII

STATE OF TENNESSEE
SCHEDULE OF REVENUE BOND COVERAGE
TENNESSEE HOUSING DEVELOPMENT AGENCY FUNDS
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands except Coverage)

FOR THE YEAR ENDED JUNE 30	DEDICATED REVENUES	RELATED EXPENSES	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS	COVERAGE (NOTE)
1975	$ 1,510	$ 39	$ 1,471	$ 1,279	1.15
1976	4,582	178	4,404	4,340	1.01
1977	7,893	278	7,615	7,233	1.05
1978	13,104	712	12,392	11,825	1.05
1979	24,339	928	23,411	20,177	1.16
1980	32,289	1,123	31,166	26,548	1.17
1981	42,335	1,478	40,857	38,609	1.06
1982	45,141	1,600	43,541	44,424	.98
1983	63,336	1,805	61,531	65,174	.94
1984	63,216	1,995	61,221	65,451	.94

NOTE: Under THDA's series bond resolutions, scheduled amounts of anticipated mortgage loan prepayments are used each year to pay a portion of maturing bond principal. Accordingly, in addition to the net revenue available for debt service shown above, THDA applied some $7.3 million in prepayments against fiscal year 1984's debt service requirements.

STATE OF TENNESSEE
SCHEDULE OF REVENUE BOND COVERAGE
COLLEGE AND UNIVERSITY FUNDS
FOR THE LAST TEN FISCAL YEARS

(Expressed in Thousands except Coverage)

		DEBT SERVICE REQUIREMENTS			
FOR THE YEAR ENDED JUNE 30	FEES AND CHARGES	TENNESSEE STATE SCHOOL BOND AUTHORITY	OTHER THAN AUTHORITY	TOTAL	COVERAGE
1975	$ 115,347	$ 7,648	$1,683	$ 9,331	12.4
1976	132,371	7,648	1,378	9,026	14.7
1977	144,728	12,769	1,297	14,066	10.3
1978	155,927	12,939	1,342	14,281	10.9
1979	174,513	13,109	1,261	14,370	12.1
1980	193,954	13,013	2,038	15,051	12.9
1981	229,638	13,014	1,451	14,465	15.9
1982	262,407	13,009	1,435	14,444	18.2/
1983	290,454	12,526	1,349	13,875	20.9
1984	291,675	19,766	1,333	21,099	13.8

STATE OF TENNESSEE
DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS
JUNE 30, 1984

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	GENERAL LONG-TERM DEBT			STATE LOAN PROGRAM FUND DEBT		
	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1985	$ 50,125	$ 28,832	$ 78,957	$ 2,390	$ 4,354	$ 6,744
1986	50,125	26,297	76,422	2,515	4,225	6,740
1987	50,125	23,769	73,894	2,655	4,089	6,744
1988	48,565	21,204	69,769	2,805	3,945	6,750
1989	45,815	18,704	64,519	2,975	3,792	6,767
1990	45,815	16,286	62,101	3,050	3,629	6,679
1991	43,165	13,947	57,112	3,195	3,461	6,656
1992	38,365	11,680	50,045	3,355	3,285	6,640
1993	31,955	9,729	41,684	3,550	3,100	6,650
1994	31,955	7,928	39,883	3,715	2,903	6,618
1995	28,955	6,211	35,166	3,900	2,695	6,595
1996	23,455	4,583	28,038	3,775	2,474	6,249
1997	11,655	3,290	14,945	3,015	2,256	5,271
1998	6,915	2,513	9,428	3,070	2,079	5,149
1999	6,915	1,956	8,871	3,270	1,896	5,166
2000	6,915	1,398	8,313	3,465	1,700	5,165
2001	5,000	838	5,838	3,335	1,490	4,825
2002	5,000	419	5,419	3,530	1,293	4,823
2003				3,120	1,082	4,202
2004				3,310	891	4,201
2005				3,195	688	3,883
2006				1,930	488	2,418
2007				1,090	361	1,451
2008				1,160	279	1,439
2009				1,235	192	1,427
2010				1,325	99	1,424
TOTALS	$ 530,820	$ 199,584	$730,404	$ 73,930	$ 56,746	$130,676

STATE OF TENNESSEE
DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS
JUNE 30, 1984

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	TENNESSEE HOUSING DEVELOPMENT AGENCY DEBT			COLLEGE AND UNIVERSITY DEBT (NOTE)		
	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1985	$ 14,604	$ 55,332	$ 69,936	$ 5,954	$ 15,632	$ 21,586
1986	17,337	53,265	70,602	6,260	15,325	21,585
1987	18,808	52,110	70,918	6,857	14,390	21,247
1988	19,224	50,841	70,065	7,093	14,057	21,150
1989	19,801	49,481	69,282	7,451	13,702	21,153
1990	20,278	48,027	68,305	7,831	13,325	21,156
1991	21,097	46,471	67,568	8,203	12,928	21,131
1992	23,363	44,749	68,112	8,620	12,506	21,126
1993	23,985	42,881	66,866	8,887	12,057	20,924
1994	23,112	40,959	64,071	9,281	11,586	20,867
1995	23,389	38,977	62,366	9,765	11,083	20,848
1996	24,118	36,883	61,001	10,252	10,550	20,802
1997	25,183	34,655	59,838	10,509	9,979	20,488
1998	27,900	32,217	60,117	10,881	9,387	20,268
1999	28,604	29,587	58,191	11,426	8,744	20,170
2000	27,535	26,986	54,521	11,883	8,066	19,949
2001	24,646	24,658	49,304	10,154	7,346	17,500
2002	25,984	22,452	48,436	12,368	6,710	19,078
2003	26,832	20,137	46,969	9,638	5,950	15,588
2004	29,147	17,680	46,827	10,211	5,317	15,528
2005	28,017	15,152	43,169	10,798	4,637	15,435
2006	30,294	12,544	42,838	8,950	3,916	12,866
2007	30,152	9,828	39,980	6,056	3,278	9,334
2008	23,404	19,655	43,059	5,571	2,788	8,359
2009	21,184	17,729	38,913	6,051	2,295	8,346
2010	14,447	26,209	40,656	6,546	1,759	8,305
2011	12,435	25,117	37,552	6,497	1,172	7,669
2012	10,769	24,145	34,914	5,895	567	6,462
2013	6,090	23,438	29,528			
2014	4,853	22,970	27,823			
2015	2,429	20,913	23,342			
2016	2,700	19,555	22,255			
2017	2,858	2,174	5,032			
2018	978	31	1,009			
TOTALS	$ 655,557	$1,007,808	$ 1,663,365	$ 239,868	$ 239,052	$ 478,920

NOTE: College and University refunded debt totaling $51,115 has been replaced in the above table by refunding debt of $52,274, thereby giving effect to the crossover advance refunding which will be consummated in 1986.

TABLE X

STATE OF TENNESSEE
SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY
JUNE 30, 1984

(Expressed in Thousands)

FOR THE YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS		REVENUE BONDS		TOTAL REQUIREMENTS
	GENERAL LONG-TERM DEBT	STATE LOAN PROGRAM FUND DEBT	TENNESSEE HOUSING DEVELOPMENT AGENCY DEBT	COLLEGE AND UNIVERSITY DEBT	
1985	$ 78,957	$ 6,744	$ 69,936	$ 21,586	$ 177,223
1986	76,422	6,740	70,602	21,585	175,349
1987	73,894	6,744	70,918	21,247	172,803
1988	69,769	6,750	70,065	21,150	167,734
1989	64,519	6,767	69,282	21,153	161,721
1990	62,101	6,679	68,305	21,156	158,241
1991	57,112	6,656	67,568	21,131	152,467
1992	50,045	6,640	68,112	21,126	145,923
1993	41,684	6,650	66,866	20,924	136,124
1994	39,883	6,618	64,071	20,867	131,439
1995	35,166	6,595	62,366	20,848	124,975
1996	28,038	6,249	61,001	20,802	116,090
1997	14,945	5,271	59,838	20,488	100,542
1998	9,428	5,149	60,117	20,268	94,962
1999	8,871	5,166	58,191	20,170	92,398
2000	8,313	5,165	54,521	19,949	87,948
2001	5,838	4,825	49,304	17,500	77,467
2002	5,419	4,823	48,436	19,078	77,756
2003		4,202	46,969	15,588	66,759
2004		4,201	46,827	15,528	66,556
2005		3,883	43,169	15,435	62,487
2006		2,418	42,838	12,866	58,122
2007		1,451	39,980	9,334	50,765
2008		1,439	43,059	8,359	52,857
2009		1,427	38,913	8,346	48,686
2010		1,424	40,656	8,305	50,385
2011			37,552	7,669	45,221
2012			34,914	6,462	41,376
2013			29,528		29,528
2014			27,823		27,823
2015			23,342		23,342
2016			22,255		22,255
2017			5,032		5,032
2018			1,009		1,009
TOTALS	$ 730,404	$130,676	$ 1,663,365	$ 478,920	$ 3,003,365

STATE OF TENNESSEE
STATEMENT OF OUTSTANDING DEBT
ALL FUND TYPES AND ACCOUNT GROUPS
FOR THE LAST FIVE FISCAL YEARS

(Expressed in Thousands)

	JUNE 30				
	1980	1981	1982	1983	1984
CAPITAL PROJECTS FUND -					
BOND ANTICIPATION NOTES			$ 146,300	$ 46,140	$ 88,520
ENTERPRISE FUNDS:					
LOCAL DEVELOPMENT AUTHORITY NOTES	$ 44,000	$ 49,490	90,675	92,250	78,280
STATE LOAN PROGRAM BONDS	48,330	79,995	78,270	76,205	73,930
TENNESSEE HOUSING DEVELOPMENT AGENCY NOTES	2,671	240			
TENNESSEE HOUSING DEVELOPMENT AGENCY BONDS	412,783	469,232	509,744	648,639	655,557
	507,784	598,957	678,689	817,094	807,767
INTERNAL SERVICE FUNDS:					
INFORMATION SYSTEM SERVICES NOTES				1,522	
TENNESSEE STATE SCHOOL BOND AUTHORITY NOTES				58,710	
TENNESSEE STATE SCHOOL BOND AUTHORITY BONDS	110,174	110,200	52,222	52,248	52,274
TENNESSEE STATE SCHOOL BOND AUTHORITY CALL PREMIUMS	3,867	1,533	1,533	1,533	1,533
	114,041	111,733	53,755	114,013	53,807
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP - BONDS	603,020	590,195	539,070	583,445	530,820
COLLEGE AND UNIVERSITY FUNDS:					
ENDOWMENT FUND NOTES	32	16	16	16	16
PLANT FUND NOTES	16,705	37,578	37,533	2,088	2,067
PLANT FUND BONDS	181,804	177,623	172,924	243,881	238,709
	198,541	215,217	210,473	245,985	240,792
TOTALS	$ 1,423,386	$ 1,516,102	$ 1,628,287	$ 1,806,677	$ 1,721,706

STATE OF TENNESSEE
ECONOMIC CHARACTERISTICS*

TENNESSEE'S ECONOMIC GROWTH

Economic indicators in 1984 are consistently positive for the first time since 1979. The state has recently registered healthy economic gains in personal income, average hours worked in industry, and employment. The long run outlook for Tennessee is bright because of its comparative advantages, including low-cost labor, relatively inexpensive energy, above-average productivity, plentiful natural resources and sun-belt location. Tennessee's gross state product and personal income ratios, which had declined in 1983 compared to national totals, rebounded in 1984. Tennessee's gross state product as a percentage of gross national product was 1.76% in 1975 and 1984, and personal income was 1.60% of the national total in the same years.

(Expressed in Millions)

YEAR	GROSS STATE PRODUCT	PERSONAL INCOME	DISPOSABLE PERSONAL INCOME
1975	$ 27,139	$ 20,304	$ 18,356
1976	30,609	22,872	20,446
1977	34,885	25,155	22,523
1978	39,629	28,542	25,558
1979	43,629	31,983	28,688
1980	46,028	35,031	31,256
1981	51,149	38,957	34,559
1982	53,193	41,280	36,321
1983	56,019	43,731	38,744
1984	63,055	48,315	42,617

	TENNESSEE GROSS STATE PRODUCT BY SECTOR (Expressed in Millions)			SECTOR AS PERCENTAGE OF 1984 TOTAL
	1974	1979	1984	
MANUFACTURING	$ 9,564	$15,152	$20,938	33.2%
CONSTRUCTION	1,184	1,852	2,396	3.8
MINING	249	432	699	1.1
TRADE	4,122	6,972	10,151	16.1
SERVICES	2,568	4,624	7,836	12.4
FINANCE, INSURANCE AND REAL ESTATE	3,052	5,224	7,745	12.3
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	1,841	3,349	5,173	8.2
FEDERAL GOVERNMENT	1,036	1,935	2,508	4.0
STATE AND LOCAL GOVERNMENT	1,753	3,077	4,481	7.1
AGRICULTURE	643	1,012	1,128	1.8
TOTAL GROSS STATE PRODUCT	$26,012	$43,629	$63,055	100.0%

	TENNESSEE AVERAGE ANNUAL WAGE BY SECTOR			PERCENTAGE CHANGE (FROM 1974 TO 1984)
	1974	1979	1984	
MANUFACTURING	$ 8,387	$ 12,681	$ 18,639	122.2%
CONSTRUCTION	8,531	12,271	19,342	126.7
MINING	9,662	15,507	20,544	112.6
TRADE	6,788	9,501	13,264	95.4
SERVICES	6,919	10,080	14,636	111.5
FINANCE, INSURANCE AND REAL ESTATE	8,530	12,560	18,613	118.2
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	11,265	17,074	24,976	121.7
FEDERAL GOVERNMENT	12,480	18,576	25,591	105.1
STATE AND LOCAL GOVERNMENT	7,580	10,742	15,490	104.4
AGRICULTURE	2,898	4,496	6,791	134.3
ALL SECTORS	$ 7,962	$ 11,660	$ 16,765	110.6%

*Except as otherwise noted, the source for all economic information presented is the Tennessee Econometric Model developed by the Center for Business and Economic Research, College of Business Administration, The University of Tennessee, Knoxville.

MANUFACTURING

The manufacturing sector in Tennessee has fared quite well over the last decade, both absolutely and relative to the nation as a whole. Although Tennessee manufacturing has recently suffered from the effects of the national recession, the state continues to be attractive to a variety of manufacturers as evidenced by the $1.324 billion in announced capital investment in 1983, exceeded only by the record $1.776 billion in 1980. The combined new plant and expansion projects announced are expected to create 20,051 new job opportunities, the highest in the last 10 years. The tables which follow indicate the state's manufacturing gross product, employment and industrial expansion.

TENNESSEE MANUFACTURING GROSS PRODUCT
(Expressed in Millions)

	1974	1979	1984	PERCENTAGE CHANGE (FROM 1974 TO 1984)
DURABLES:				
FURNITURE AND FIXTURES	$ 292	$ 406	$ 589	101.7%
FABRICATED METALS	576	1,032	1,328	130.6
NONELECTRICAL MACHINERY	817	1,355	1,786	118.6
ELECTRICAL MACHINERY	638	1,251	1,766	176.8
TRANSPORTATION EQUIPMENT	522	859	1,322	153.3
OTHER	1,347	1,968	2,443	81.4
TOTAL DURABLES	4,192	6,871	9,234	120.3
NONDURABLES:				
FOOD	925	1,486	2,101	127.1
TEXTILES	383	445	645	68.4
APPAREL	637	981	1,321	107.4
PAPER	503	736	1,043	107.4
PRINTING AND PUBLISHING	391	640	1,001	156.0
CHEMICALS	1,709	2,605	3,775	120.9
RUBBER AND PLASTICS	488	849	1,172	140.2
OTHER	336	539	646	92.3
TOTAL NONDURABLES	5,372	8,281	11,704	117.9
TOTALS	$ 9,564	$ 15,152	$ 20,938	118.9%

TENNESSEE MANUFACTURING EMPLOYMENT
(Expressed in Thousands)

	1974	1979	1984	PERCENTAGE CHANGE (FROM 1974 TO 1984)
DURABLES:				
FURNITURE AND FIXTURES	25.7	24.2	22.7	(11.7)%
FABRICATED METALS	33.7	35.1	29.7	(11.9)
NONELECTRICAL MACHINERY	33.7	36.5	32.9	(2.4)
ELECTRICAL MACHINERY	39.8	41.1	41.4	4.0
TRANSPORTATION EQUIPMENT	22.5	26.0	25.6	13.8
OTHER	73.7	77.9	67.5	(8.4)
TOTAL DURABLES	229.1	240.8	219.8	(4.1)
NONDURABLES:				
FOOD	38.4	39.5	38.7	.8%
TEXTILES	31.0	27.2	27.3	(11.9)
APPAREL	73.9	68.3	66.3	(10.3)
PAPER	17.4	18.2	17.5	.6
PRINTING AND PUBLISHING	22.6	26.6	28.5	26.1
CHEMICALS	58.4	58.5	55.7	(4.7)
RUBBER AND PLASTICS	18.4	23.4	22.6	22.8
OTHER	24.1	22.2	20.3	(15.8)
TOTAL NONDURABLES	284.2	283.9	276.9	(2.6)
TOTALS	513.3	524.7	496.7	(3.2)%

INDUSTRIAL GROWTH IN TENNESSEE
NEW PLANTS AND EXPANSIONS

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
NUMBER:										
NEW	105	94	97	141	104	90	80	70	73	118
EXPANSIONS	146	138	194	195	136	151	129	158	137	204
	251	232	291	336	240	241	209	228	210	322
INVESTMENT (IN THOUSANDS):										
NEW	$ 318,464	$ 160,463	$ 215,064	$ 177,555	$ 212,002	$ 238,945	$ 922,894	$ 119,147	$ 173,405	$ 207,536
EXPANSIONS	293,647	135,146	255,787	397,536	367,874	353,274	853,470	463,731	587,578	1,116,533
	$ 612,111	$ 295,609	$ 470,851	$ 575,091	$ 579,876	$ 592,219	$1,776,364	$ 582,878	$ 760,983	$1,324,069
JOB OPPORTUNITIES:										
NEW	9,212	6,203	7,967	9,542	7,674	5,942	7,294	3,679	5,336	8,154
EXPANSIONS	7,399	5,285	8,868	8,927	6,750	8,922	5,460	9,253	5,602	11,897
	16,611	11,488	16,835	18,469	14,424	14,864	12,754	12,932	10,938	20,051

FIFTY LARGEST INDUSTRIAL EMPLOYERS

(Ranked by Number of Employees)

	COMPANY	NUMBER OF PLANTS	NUMBER OF EMPLOYEES		COMPANY	NUMBER OF PLANTS	NUMBER OF EMPLOYEES
1.	UNION CARBIDE CORPORATION	8	13,053	26.	GANNETT COMPANY INC.	2	2,205
2.	EASTMAN KODAK COMPANY	2	11,050	27.	NISSAN MOTOR COMPANY LTD	1	2,200
3.	E. I. DUPONT DE NEMOURS & CO.	4	6,512	28.	RAYTHEON COMPANY	2	2,200
4.	ARCATA CORPORATION	3	5,100	29.	UNITED STATES SHOE CORP.	2	2,132
5.	ALUMINUM CO. OF AMERICA	2	4,100	30.	U. S. INDUSTRIES, INC.	2	2,100
6.	GENESCO INC.	16	3,993	31.	BLUE BELL INC.	8	2,086
7.	LEVI STRAUSS & COMPANY	9	3,971	32.	BURLINGTON INDUSTRIES, INC.	3	2,081
8.	GULF & WESTERN INDUSTRIES, INC.	17	3,746	33.	MCKEE BAKING COMPANY	3	2,075
9.	ITT	6	3,627	34.	TRW, INC.	4	2,055
10.	COMBUSTION ENGINEERING, INC.	2	3,625	35.	FORD MOTOR COMPANY	1	2,000
11.	ALUSUISSE	4	3,600	36.	ALADDIN INDUSTRIES, INC.	2	1,950
12.	UNITED TECHNOLOGIES CORP.	8	3,323	37.	SCHERING-PLOUGH CORP.	2	1,880
13.	GENERAL ELECTRIC COMPANY	7	3,300	38.	ROBERTSHAW CONTROLS CO.	3	1,835
14.	PHILIPS N V	1	3,300	39.	THE BERKLINE CORP.	2	1,720
15.	NORTHWEST INDUSTRIES, INC.	8	3,297	40.	THE TRANE COMPANY	1	1,700
16.	BROWN GROUP, INC.	10	3,207	41.	BOWATER CORPORATION	2	1,619
17.	AKZONA, INC.	2	3,143	42.	STATE INDUSTRIES, INC.	1	1,560
18.	HENRY I. SIEGEL COMPANY, INC.	8	3,055	43.	EATON CORPORATION	4	1,515
19.	WASHINGTON MFG. CO.	12	3,004	44.	AEOLIAN CORPORATION	2	1,500
20.	FIRESTONE TIRE & RUBBER CO.	1	3,000	45.	C. I. T. FINANCIAL CORP.	1	1,500
21.	GOODYEAR TIRE AND RUBBER CO.	1	2,900	46.	MAGIC CHEF INC.	1	1,500
22.	AVCO STRUCTURES	1	2,500	47.	CITIES SERVICE COMPANY	1	1,475
23.	KELLWOOD COMPANY	8	2,386	48.	NORTH AMERICAN RAYON CO.	1	1,450
24.	BEATRICE FOODS COMPANY	7	2,262	49.	EMHART CORPORATION	2	1,446
25.	SALANT CORPORATION	5	2,209	50.	SPERRY CORPORATION	1	1,400

SOURCE: Tennessee Department of Economic and Community Development.

AGRICULTURE

Important export commodities such as soybeans, tobacco, feed grains, cotton, and greenhouse and nursery products are among the top income earners for Tennessee farmers.

CASH RECEIPTS
(Expressed in Millions)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
CROPS	$ 505.8	$ 601.1	$ 707.1	$ 722.8	$ 842.1	$ 857.3	$ 996.9	$ 913.4	$1,178.4	$1,284.4
MEAT ANIMALS	366.9	405.5	387.6	566.6	607.5	505.0	415.8	571.1	495.3	549.1
DAIRY PRODUCTS	168.8	193.8	206.3	214.7	244.1	287.3	307.8	326.4	338.0	357.5
POULTRY AND EGGS	75.4	81.1	90.9	90.0	102.6	108.4	115.1	121.3	115.5	116.8
TOTALS	$1,116.9	$1,281.5	$1,391.9	$1,594.1	$1,796.3	$1,758.0	$1,835.6	$1,932.2	$2,127.2	$2,307.8

POPULATION AND EMPLOYMENT TREND

The state's population has increased close to 1% per year with a shift in recent years to a net in-migration condition from one of a net out-migration.

(Expressed in Thousands except Unemployment Rates)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
POPULATION	4,261	4,329	4,402	4,462	4,533	4,602	4,612	4,633	4,678	4,722
LABOR FORCE	1,809	1,869	1,945	1,969	2,043	2,082	2,111	2,119	2,144	2,227
TOTAL EMPLOYMENT	1,658	1,757	1,822	1,856	1,924	1,930	1,919	1,876	1,907	2,033
UNEMPLOYMENT	151	112	123	113	119	152	192	243	237	194
TENNESSEE UNEMPLOYMENT RATE	8.3%	6.0%	6.3%	5.7%	5.8%	7.3%	9.1%	11.5%	11.1%	8.7%
U. S. UNEMPLOYMENT RATE	8.5%	7.7%	7.1%	6.1%	5.8%	7.1%	7.6%	9.6%	10.2%	7.4%

BANK DEPOSITS, INTERNAL REVENUE COLLECTIONS, RETAIL SALES AND EFFECTIVE BUYING INCOME

	(Expressed in Millions)			(Expressed in Thousands)
YEAR	BANK DEPOSITS	INDIVIDUAL IRS COLLECTIONS	RETAIL SALES	EFFECTIVE BUYING INCOME MEDIAN HOUSEHOLD
1974	$ 12,287	$ 1,979	$ 10,797	$ 9.7
1975	13,098	1,948	11,436	11.0
1976	14,249	2,226	12,748	11.6
1977	15,840	2,633	14,255	12.7
1978	17,141	2,984	15,712	13.4
1979	18,494	3,296	16,375	14.8
1980	19,798	3,775	17,373	15.8
1981	21,156	4,398	18,729	17.0
1982	22,708	4,959	19,870	19.0
1983	24,884	4,991	21,157	19.8

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES VALUATION OF BUILDING PERMITS ISSUED

(Expressed in Thousands)

YEAR	VALUATION	YEAR	VALUATION
1974	$ 331,800	1979	$ 728,600
1975	310,900	1980	610,800
1976	444,200	1981	392,000
1977	642,700	1982	701,100
1978	805,200	1983	1,202,700

SOURCES: The Tennessee Econometric Model, Tennessee Department of Employment Security Labor Force Summary, Sales Management's Survey of Buying Power and U. S. Bureau of the Census Construction Reports.

POPULATION, TAX BASE AND PERSONAL INCOME

(Expressed in Thousands)

YEAR	POPULATION	ASSESSED VALUE	APPRAISED/ ESTIMATED CURRENT VALUE (NOTE)	PERSONAL INCOME	PER CAPITA INCOME
1975	4,261	$10,883,800	$ 34,564,300	$20,304,000	$ 4.8
1976	4,329	11,380,700	36,232,800	22,672,000	5.2
1977	4,402	11,904,000	38,298,200	25,155,000	5.7
1978	4,462	12,739,400	40,260,500	28,542,000	6.4
1979	4,533	13,591,900	66,257,600	31,983,000	7.1
1980	4,602	16,647,800	72,767,700	35,031,000	7.6
1981	4,612	17,350,600	87,795,800	38,957,000	8.4
1982	4,633	18,642,000	90,992,300	41,280,000	8.9
1983	4,678	21,915,000	94,048,300	43,731,000	9.3
1984	4,722	25,800,000 (EST.)	97,000,000 (EST.)	48,315,000	10.2

NOTE: State Law now requires the State Board of Equalization to determine and report "estimated current property value" instead of the previously published "appraised value." Estimated current property value calculations, shown in the above table since 1978, produce substantially larger amounts as they attempt to reflect current property values in advance of completion of the ongoing total reappraisal program.

PUBLIC SCHOOL ENROLLMENT GRADES K-12

ACADEMIC YEAR	GRADES K-3	GRADES 4-6	GRADES 7-9	GRADES 10-12	TOTAL ALL GRADES
1974-75	261,738	227,519	225,269	182,780	897,306
1975-76	268,625	220,433	229,826	186,847	905,731
1976-77	277,579	210,359	234,306	186,042	908,286
1977-78	281,621	203,116	232,124	188,159	905,020
1978-79	280,357	202,414	224,585	190,173	897,529
1979-80	274,146	205,877	214,202	189,448	883,673
1980-81	268,985	214,658	210,485	192,554	886,682
1981-82	257,825	212,047	205,791	183,919	859,582
1982-83	255,674	203,806	208,712	177,527	845,719
1983-84	255,855	195,060	213,319	173,054	837,288

PUBLIC HIGHER EDUCATION INSTITUTIONS
FULL-TIME EQUATED FALL ENROLLMENT

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
UNIVERSITIES:										
AUSTIN PEAY STATE	3,299	3,461	3,640	3,789	4,001	4,112	4,079	4,107	4,091	4,389
EAST TENNESSEE STATE	7,717	8,690	8,564	8,429	8,181	8,348	7,697	7,861	7,907	8,060
MEMPHIS STATE	16,095	16,669	15,939	15,836	15,683	15,495	15,195	15,007	15,524	16,483
MIDDLE TENNESSEE STATE	8,938	9,352	9,140	9,157	9,109	9,467	9,788	9,593	9,645	9,969
TENNESSEE STATE	4,347	4,633	4,943	4,525	4,889	6,473	6,588	6,091	6,128	6,134
TENNESSEE TECHNOLOGICAL	6,027	6,222	6,269	6,422	6,517	6,905	7,403	7,369	7,458	7,340
UNIVERSITY OF TENNESSEE:										
CHATTANOOGA	3,942	4,447	4,755	4,893	5,042	5,356	5,739	5,709	5,804	6,058
KNOXVILLE	24,754	26,407	25,997	26,412	25,371	25,725	25,662	24,402	22,991	22,721
MARTIN	4,708	4,854	4,874	4,665	4,652	4,828	5,005	5,153	5,129	5,115
NASHVILLE	2,328	2,544	2,586	2,558	2,418	*	*	*	*	*
TOTAL UNIVERSITIES	82,155	87,279	86,707	86,686	85,863	86,709	87,156	85,292	84,677	86,269
COMMUNITY COLLEGES:										
CHATTANOOGA STATE TECH.	1,373	2,327	2,349	2,413	2,633	2,997	3,108	3,205	3,405	3,502
CLEVELAND STATE	1,693	2,059	1,919	1,911	1,920	1,806	2,113	1,856	2,039	2,034
COLUMBIA STATE	970	1,218	1,150	1,166	1,248	1,311	1,451	1,353	1,536	1,504
DYERSBURG STATE	645	764	664	665	628	671	684	884	1,039	1,058
JACKSON STATE	1,125	1,478	1,459	1,438	1,522	1,686	1,686	1,683	1,840	1,784
MOTLOW STATE	709	815	870	974	1,067	1,124	1,262	1,224	1,352	1,354
ROANE STATE	997	1,527	1,637	1,662	1,751	1,799	2,139	2,216	2,323	2,368
SHELBY STATE	2,300	3,057	3,301	3,137	3,071	3,260	3,443	2,997	3,184	3,297
VOLUNTEER STATE	1,190	1,683	1,663	1,658	1,578	1,857	2,078	2,038	2,048	1,973
WALTERS STATE	1,250	1,949	1,768	1,797	1,875	2,102	2,286	2,116	2,240	2,244
TOTAL COMMUNITY COLLEGES	12,252	16,877	16,780	16,821	17,291	18,613	20,250	19,572	21,006	21,118
TOTAL ALL INSTITUTIONS	94,407	104,156	103,487	103,507	103,154	105,322	107,406	104,864	105,683	107,387

*Effective July 1, 1979 the Nashville campus of the University of Tennessee was merged with Tennessee State University.

SOURCES: The Tennessee Econometric Model, State Board of Equalization, Tennessee Department of Education and the Higher Education Commission.